

# The NATIONAL UNDERWRITER

Life Insurance Edition

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## The LAW of AVERAGES

works just as surely for our field force as for our actuaries. We have put it to work effectively through our organized Selling Plan and we would like to tell you about it, in addition to many other facts about the Minnesota Mutual.

### WE OFFER

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
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9. Policies for every purpose: Regular—Family—Juvenile—Women—Group—Payroll Savings, etc.
10. Low monthly premiums.

A \$225,000,000.00 Mutual Company, 59 years old  
with an understanding, cooperative Home Office.

**THE MINNESOTA MUTUAL  
LIFE INSURANCE COMPANY**  
Saint Paul, Minnesota



*A friendly group  
to join for steady  
progress*



The OHIO NATIONAL  
LIFE INSURANCE COMPANY  
CINCINNATI, OHIO  
*T. W. Appleby, President*

# The NATIONAL UNDERWRITER

Forty-third Year—No. 41

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, OCTOBER 13, 1939

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## Record Shows SEC Subtly Hostile to State Supervision

February Proceedings Now  
Available from Govern-  
ment at Slight Cost

WASHINGTON, D. C. — Belittling of state supervision of insurance, which many observers have noticed as the federal monopoly investigation of life insurance progressed, has marked these hearings from the start, examination of the February proceedings, now available from the government printing office, reveals. As if by design, the questioning and the testimony by representatives of the Securities & Exchange Commission, which has made the insurance study for the monopoly committee, have consistently put state supervision in an unfavorable light.

Indirectly, of course, to the extent that the SEC in its presentation attempted to discredit any phase of life insurance it was also hitting at state supervision. But the record shows several instances which appear to indicate unwillingness to let a good word for state supervision stand in the record. For example, during the testimony of the first witness, Dr. Donald H. Davenport of Harvard, the SEC's special economic consultant, Senator King of Utah attempted to bring out that the state insurance departments have done a pretty good job of supervision. King wanted to know if the state laws under which the insurance companies exist did not tend to maintain the institutions and to prevent fly-by-night organizations from obtaining charters.

### Begins Answer Favorably

"With respect to the large states in which the large insurance companies are incorporated and do business, I can answer that definitely in the affirmative," Dr. Davenport replied. "The companies that have failed were small companies, were companies that were young companies and were not companies that were organized and doing business where the great bulk of the life insurance is done."

Chairman O'Mahoney: "In other words, it is your testimony that the insurance laws of the states in which the bulk of, or the largest proportion of, life insurance companies are incorporated, are well calculated to protect the policyholders."

Dr. Davenport: "Mr. Chairman, I am not a lawyer and I do not presume to say that I am competent to answer that question. We intend to go into that in great detail."

Chairman O'Mahoney: "Then I didn't quite understand your answer to Senator King."

Dr. Davenport: "My general impression, Senator—perhaps I should say it is a personal opinion—

Senator King: "Well, from your ex-

## Medical Directors Program Announced

Annual Meeting Will  
Be Held in New York  
City Next Week

The Association of Life Insurance Medical Directors announces its 50th anniversary program for its meeting at the Hotel Pennsylvania, New York City, Oct. 19-20. Dr. H. W. Cook, Northwestern National Life, is president and will open the meeting the first morning with an address. Vice-president and Actuary R. D. Murphy, Equitable Society, will give a talk on "Fifty Years of Medical and Actuarial Cooperation in Selection." Dr. W. E. Thornton, medical director Lincoln National Life, will have as his theme, "Juvenile Insurance." The discussants will be Assistant Actuary Pearce Shepherd, Prudential, and Dr. S. J. Streight, medical director Canada Life.

### Important Symposium

The afternoon session the first day will be devoted to cardiovascular-renal symposium. Dr. E. T. Bell, University of Minnesota Medical School, will take the pathology item. Dr. R. L. Willis, medical director and Dr. J. R. Dugger, home office medical examiner, Mutual Life of New York, will give a review of coronary deaths. The discussants will be Dr. R. A. Goodell, assistant medical director Phoenix Mutual Life, and Dr. H. J. Johnson, director Life Extension Examiners. Dr. G. W. Crile of the Cleveland Clinic will view the surgical aspects. Dr. E. C. Bonnett, assistant medical director Metropolitan Life, will have as his subject "Electrocardiographic Ratings." The discussants will be Dr. W. J. Allison, medical director Southwestern Life, and Dr. L. S. Ylvisaker, associate medical director Prudential. The anniversary dinner will be given the evening of Oct. 19.

The scientific section is set for the morning of Oct. 20, being a continuation of the symposium the day before. Dr. L. I. Dublin, third vice-president Metropolitan Life, Dr. C. L. Christiernin, medical director and H. H. Marks from the same company, will talk on cardiovascular-renal symposium. The discussant is Dr. L. G. Rowntree, director Philadelphia Institute for Medical Research. Dr. F. A. Willius of the Mayo Clinic will give some clinical aspects followed by discussion by Dr. William Muhlbarg, medical director Union Central Life, and Dr. C. C. Birchard, medical director Sun Life of Canada. Dr. P. G. Denker, assistant medical director Equitable Society, will present a paper on "Brain Tumors: Clinical Prognosis and Underwriting Experiences." The discussants will be Dr. J. E. J. King, Bellevue Hospital, New York, and Dr. R. M. Daley, medical director Equitable Society.

### Ruling On Company Status

An immediate ruling on the status of domestic industrial life companies as to whether they are life companies as contemplated by Section 201 of the internal revenue act of 1936 is expected to be handed down some time within the next

## Reserve By-Product, Not End in Itself

L. N. Whitelaw Explains  
Derivation in N. Y. City  
Educational Course

NEW YORK—The reserve as an inevitable by-product of legal reserve life insurance, which in turn has proved to be the only means of avoiding the terrific jump in rates under renewable term insurance was emphasized by L. N. Whitelaw, field instructor Prudential, lecturing in the New York City Life Underwriters Association's educational course.

Dealing with life underwriting fundamentals, Mr. Whitelaw traced the development of the legal reserve system and pointed out that it arose not because companies, agents, or buyers wanted insurance with a reserve in it but because the rapidly rising cost of step-rate term insurance at the older ages brought a demand for insurance written at a level premium. Since this plan meant that at the earlier ages premiums would be more than sufficient to cover death losses, a reserve was necessarily built up to the account of each insured.

### Benefits Incidental

While the right to borrow against this reserve or receive all or part of it as a surrender value or in the form of paid up or extended insurance is a valuable part of legal reserve insurance, it was not one of the reasons why the system was instituted but is merely an inevitable but valuable by-product, Mr. Whitelaw said. This fact is ignored by term insurance enthusiasts, he said, who are guilty of playing down the tremendous increase in cost of term insurance during the later years of life. This drastic rise in cost also comes at a time when the average man's financial situation is such that he can ill afford to meet it, the speaker emphasized.

Outlining the derivation of level premium rates, Mr. Whitelaw pointed out that to provide 81,822 men aged 35 with \$1,000 each of protection a company would need a total of \$81,822,000 by the time all the men in the group were dead or had attained age 96, according to the American Experience table. The same table shows that the total number of annual premiums paid by the entire group until age 96 is reached will be 2,641,561.

If this total number of premium payments is divided into the total coverage, \$81,822,000, it is found that the average premium per \$1,000 must be \$30.97. If a 3 percent interest rate is assumed, the figure would not be \$30.97 but would be only \$21.08, although this allows nothing for overhead. Since the actual insurance cost per \$1,000 the first year is \$8.95, the difference is put into a reserve. Mr. Whitelaw made it clear that the premium charged is not based on the face amount, even in the first year, since there is a reserve of almost \$13, but on the face amount less the reserve, which is the net amount at risk.

thirty days in a case involving a member of the Industrial Insurers Conference.

## Face Important Task in Informing Folk on Social Security

Attorney Albert Hirst  
Stresses Importance  
Before New York C. L. U.

NEW YORK—The new social security amendments are the most important event in the life insurance business within the memory of those now in it, overshadowing even the war risk insurance, which was, after all, temporary and covered only men in the armed forces, said Albert Hirst, New York City, attorney and expert on life insurance tax and estate matters, in an address before the New York City C. L. U. chapter. He warned, however, that there is so much superficial similarity between the new act and life insurance and so much real dissimilarity between the two systems that the agents and those responsible for training them face an important task in apprising the public of the differences.

Mr. Hirst, whose talk will appear in amplified form in the DIAMOND LIFE BULLETINS, emphasized that these differences are not theoretical or academic but are as practical as having a \$10 bill in one's pocket or not having it. He said that it will be found that the public will either overestimate the effect of social security or underestimate it. If they overestimate it they will neglect the supplementary protection they should provide by their own efforts. If they underestimate it they will not make the fullest use of what they are entitled to under the act.

### Must Always Be Considered

Social security should be considered not merely in cases where the prospect is covered, Mr. Hirst pointed out, but even if he does not come under its provisions. For example, a young lawyer employed as a law clerk is covered. Then he hangs out his shingle and is not covered. Then some corporation hires him and he is again under social security.

Mr. Hirst also predicted that the tendency would be for the act to cover more and more classes, so that many who are now in exempt occupations may eventually be covered. As far as repeal or drastic modification of the act is concerned, he said it can be dismissed as too remote to think about, since the changes were passed by both houses of congress practically unanimously.

Among the differences between social security and life insurance Mr. Hirst called attention to the fact that in life insurance one is dealing with absolute promises to pay. On the other hand, under social security a man may currently be earning \$100 a month but during the years before he reaches 65 may work at widely fluctuating rates of pay, which will affect the amount of coverage he will have. He emphasized that this is not a criticism of social security, nor

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## Effect of Misrepresentation Analyzed by J. M. Laird

John M. Laird, vice-president of Connecticut General Life, presented at the meeting of the Actuarial Society of America a paper on "The Effect of Misrepresentation" which was a lucid statement of general principles, without being cluttered with citations. E. J. McAllenney, attorney of Connecticut General, collaborated in composing the paper.

The conclusion of the authors is that in determining what action should be taken on a specific case, the company should be governed by the policy language, the statutory law, if any, and the trend of decisions in that particular jurisdiction. It may sympathize with the insured or his widow, but it also has an obligation to protect the great body of policyholders from unwarranted losses under insurance obtained by misrepresentation.

### Warranty and Misrepresentation

In the early days, the companies, the authors state, were inclined to frame the contract so that the applicant's statements were warranties rather than representations. The essential difference is that for a false warranty the contract may be avoided merely upon proof of falsity, whereas for a false representation the contract can be avoided only if the matter misrepresented is material to the risk.

Today the companies, either voluntarily or because of statutory enactments, include in the policy a provision: "All statements made in the application shall, in the absence of fraud, be deemed representations and not warranties." This language implies that in case of fraud, the statements may be considered warranties and, therefore, the slightest deviation from the truth may be cause for avoidance of the contract.

In the more common case where there may not have been fraud but where there is evidence of misrepresentation, the company has a more difficult problem in determining the legal rights of the two parties.

Fraudulent misrepresentation, the authors observe, may consist of either a deliberate falsehood or merely the giving of information of a fact when the person actually has no such knowledge. If the company can prove that the applicant fraudulently misrepresented facts, intending that the insurer should rely upon them, and in fact it did so

rely, the court will not inquire into the reasonableness of its reliance. To this extent it will assume that the information was material.

Since rarely is there any direct evidence of the intention of the assured, fraud must be inferred from all the facts and circumstances of the case. Hence, it is virtually impossible to predict with assurance that a finding of fraud will be made.

Insofar as misrepresentation is concerned, in order to avoid a policy, the misrepresentation must be "material." The court may adopt any one of three tests in deciding what is "material." One of the tests is whether the untrue representation, however unintentional, substantially prevented the company from exercising its choice of assuming or rejecting the risk upon a full disclosure or whether it tended to induce action which might not otherwise have been taken.

The second test is whether if the facts had been truly disclosed a prudent and a reasonable insurer would have been influenced to decline the risk or to have stipulated a higher premium.

The third test is: "Would the fact misrepresented substantially increase the chance of the loss insured against?"

### Same Results Are Found

Regardless of which test is applied, the authors state, the same results will in general obtain.

If the misrepresented fact is "material," it will, in the absence of proof to the contrary by the claimant, be assumed that the company relied upon it on entering into the contract.

The fact that the company makes inquiry into the matter does not necessarily make it material, but it bears heavily on the determination of materiality, and if the inquiry pertains to a subject that may reasonably affect the insurer's choice, the misrepresentation will generally be considered material. Answers that are substantially true will not invalidate the contract, according to the authors. If the departure from the truth is slight it will not avoid the policy.

It has been held rather consistently that on inquiry an applicant must disclose examination by or consultation with physicians for serious illness or one which might have more than a temporary effect on the physical condition.

The assured's failure on the other hand to disclose examinations by or consultations with physicians for an illness which has merely a temporary effect upon his health will not give the company grounds to rescind the contract.

Some courts take the position that the intent of the question is merely to arrive at facts concerning consultations or attendance in connection with serious illness while other courts consider that the question is all-inclusive but that failure to mention attendance on account of trivial illness, although false, is not material.

The courts are inclined to distinguish between objective representations concerning facts of which the applicant has or should have exact knowledge and subjective representations which are merely statements of opinion, belief or intention.

The courts have generally agreed that where the inquiry involves a fact susceptible of exact knowledge by the applicant, the company can rescind the contract if it acts with reasonable diligence after learning of the falsity of the statement.

Insofar as subjective representations are concerned, the question of good faith becomes important. If the applicant answers in good faith and answers truthfully to the extent of his knowledge there is no misrepresentation.

For instance the applicant may state that he does not intend to engage in aviation or to apply for additional insurance. The fact that he does later engage in aviation and has applied for additional insurance does not by itself make untrue his present representation. However, if the company can prove that his intention at the time of application was to perform the act which he represented he would not perform then there was an actual misrepresentation of his state of mind and the policy should be voidable.

### Question of Bad Faith

Some states require that in addition to materiality the company must prove that the applicant acted in bad faith in making the misrepresentation. The minority of the courts have extended the rule to include cases involving misrepresentation of a fact clearly susceptible of actual knowledge by the insured. This extension works unfairly because generally the knowledge of the insured as to his intention cannot be proved by direct evidence but must be inferred from all the facts and circumstances of the case.

In some jurisdictions, the applicant, by statutory enactment, will be presumed to be in good health if the medical examiner so certifies. The policy cannot be avoided because of those misrepresentations which pertain to his health unless the examiner's report was based on fraudulent answers.

### Non-Medical Insurance

In non-medical insurance the misrepresentation by the applicant has somewhat greater significance. The company has less opportunity to discover the true condition of the applicant's health and complete reliance must be placed on his answers.

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## SPEAKERS AT THE LIFE ADVERTISERS CONVENTION



JOSEPH C. BEHAN



GEORGE E. LACKEY



C. J. ZIMMERMAN



CLARIS ADAMS

Four important speakers at the annual meeting of the Life Advertisers Association in the Hotel Statler, De-

troit, next week will be Vice-president J. C. Behan, Massachusetts Mutual Life, George E. Lackey, Detroit gen-

eral agent Massachusetts Mutual; C. J. Zimmerman, Chicago general agent Connecticut Mutual and new president

National Association of Life Underwriters, and Claris Adams, president Ohio State Life.

## Much Sentiment for Changing the Name of Organization

### Although Defeated at Annual Meeting American Life Convention May Act

There is still a possibility that the name of the American Life Convention may be changed to Association of Life Companies or that some other title retaining the initials A.L.C. may be adopted. At last week's executive session of the American Life Convention the proposal to change the name was laid upon the table, although 73 companies had indicated their desire in response to a mail questionnaire to have the name changed as opposed to 64 unfavorable. That the movement to discard the title American Life Convention and to adopt one more descriptive of the activities of the organization is still alive was made clear by Isaac Miller Hamilton, chairman of the board of the Federal Life, just prior to the closing of last week's meeting. Mr. Hamilton is the sole survivor of the original group that organized the American Life Convention and since the passing of J. B. Reynolds, the patron saint of the association, Mr. Hamilton has been accorded the privilege of offering the resolution to adjourn and it has been his custom at that time to speak for the organization, or to summarize the activities, or to make some other pungent and timely comment.

#### Told of the Founding

When he spoke at the close last week, Mr. Hamilton explained the aims of the small group that brought the American Life Convention into being at the Great Northern Hotel in Chicago 34 years ago. He commented on the fact that the companies in the new body had common problems and that one of the primary functions was to exchange information cheerfully. As an example of this, he cited the way in which O. J. Arnold, president Northwestern National Life, had outlined so fully the already famous "Arnold" plan for agency compensation. At the executive session Mr. Arnold spoke very freely about his new plan for giving a more liberal compensation to those agents whose business persists. During the course of his talk Mr. Arnold had said that although the plan was copyrighted, the members of the convention were free to use, although he urged them to make some adaptation of it to fit their own particular needs.

Mr. Hamilton also pointed out that particularly during the last 15 years, a number of the larger companies have become members, and have contributed their experiences for the common good. They have never attempted to dominate the organization, but have been content to remain in the background.

#### Predicted Change in Name

Referring especially to the possibility of a change in name, Mr. Hamilton said that although he was not a prophet and seldom attempted to foresee the future, he would venture to predict that the name of the American Life Convention would eventually be changed so that the name itself would indicate more definitely the scope and purposes. He remarked that some of the members might be reluctant to change the name because they felt that to do so might be something of a reflection on the late Mr. Reynolds who had done so much to advance and develop the cause. Mr.

(CONTINUED ON PAGE 22)

## Complete Program for L. A. A. Rally

The completed program has now been released for the annual meeting of the Life Advertisers Association in Detroit Oct. 15-18. On Sunday those that are in the city will be guests of the Ford Sunday Evening Hour.

At the business session Wednesday, John H. McCarroll, Bankers of Iowa, will give the presidential address. Joe C. Behan, vice-president Massachusetts Mutual and chairman of the committee for the Annual Message of Life Insurance, will tell something about the plans for this year.

Thomas Wade, Detroit advertising manager of Curtis Publishing Company, will give a talk on life insurance advertising and George Lackey, Detroit general agent of Massachusetts Mutual, will give his opinion of life insurance advertising.

There will be a trip to Greenfield Village in the afternoon with dinner at Dearborn Inn followed by a smoker. The speaker at the smoker will be "Red" Motley, western representative of Crowell Publishing Company.

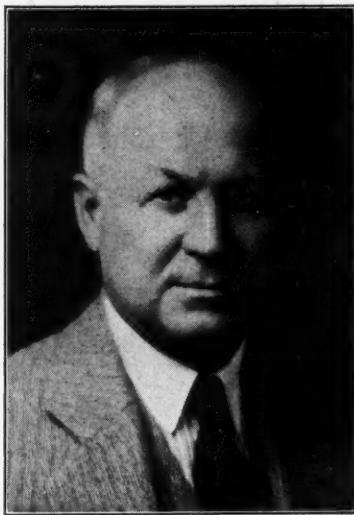
At the business session Tuesday speakers include Howard N. King, Intertyp Corporation of Brooklyn, on "Typography;" L. A. Mack, editor "Weekly Underwriter" on "The Trade Journal Editor Barks Back," and C. J. Zimmerman, Connecticut Mutual, Chicago, president National Association of Life Underwriters, "LAA to NALU to JQP."

There will be a discussion of exhibits and a clinic on advertising of hypothetical insurance companies of various sizes.

The banquet speaker that evening will be Doctor John J. Caton, director of Chrysler Institute of Engineering.

At the business session Wednesday a talk will be given by Doctor Miller Mc-Clintock, chief executive of Traffic

## New President



FRANK L. JONES

Vice-president Frank L. Jones of the Equitable Society, who has been chairman of the executive committee of the Greater New York Safety Council, has been chosen president to fill out the unexpired term of the executive who has resigned. He has been much interested in safety council work.

Audit Bureau, Inc., on "Effects that Changes in Population Bear to Advertising." There will be further discussion of exhibits. Claris Adams, president Ohio State Life, will give a talk on "The Position of Life Insurance Today." At the luncheon meeting the decisions on the L. A. A. awards will be announced.

## Revise War Risk Extra Premium Rules in Canada

### All Companies Expected to Follow Confederation Life's New Regulations

TORONTO—Revised instructions regarding extra war risk premiums have been issued by the Confederation Life over the signature of V. R. Smith, general manager. As Canadian companies are acting in close collaboration on the war situation, other companies are expected to take similar steps.

All previous instructions regarding war extras are cancelled by the Confederation Life and until further notice no extra will be required while the insured is engaged in military or naval service in Canada, Newfoundland and Bermuda and their territorial waters, excluding air service. In case of military and naval service in Bermuda the company must be notified in accordance with the terms of the clause, but no extra is being charged at the present time.

"Until further notice the extra premiums chargeable upon leaving Canada and Newfoundland and (a) being engaged in military or naval service or (b) as a civilian traveling to or taking up residence outside Canada, Newfoundland or continental United States will be on the scale adopted by all Canadian life companies at a special meeting held recently. (The bulletin itemizes the scale of premium rates for war risks. These rates are the same as published last week.)

#### Coverage Is Limited

"Coverage is limited to return of premiums with interest during any time elapsing between leaving Canada or Newfoundland and payment of the first extra during the insured's lifetime. It is essential therefore that every effort be made to have this extra paid before the insured actually leaves Canada."

In dealing with aviation risks during the present stage of the war crisis, the bulletin continues:

"Until further notice the association will pay the face or commuted amount of the policy, as the case may be, if the death of the insured results directly or indirectly from aviation service within the geographical boundaries of Canada, subject to notice being given by the insured or on his behalf to the head office of the association upon his engaging in such service, and subject to the payment of the extra premiums which have been established for this particular risk. The extra premiums must be paid during the whole period of such service in Canada. Coverage is limited to return of premiums with interest during any time elapsing between engaging in such service and payment of the first extra during the insured's lifetime. It is essential that every effort be made to have this extra paid before the insured actually engages in such service."

#### Restriction on Leaving Country

Upon leaving Canada aviation "coverage will immediately be restricted to the return of premiums with interest as provided in the war clause, in which event no further extra premiums will be charged. No refund of any portion of an extra premium will be made. Until further notice the extra charged under the aviation clauses in existing policies issued on the lives of civilians will remain at \$150 per \$1,000 per annum should the life insured engage in active service with the air forces of the crown."

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## Service — and Property

This policyholder is doubtless one of many hundreds of thousands who acquired their life insurance education through experience. He wrote:

I bought my first policy when I was a young man, and I thought of it as just a piece of paper. I took it because my boss "took" policies, and I had a life insurance friend who tickled me into buying. Marriage made me a life insurance convert in earnest. And the Agent who sold me this new insurance, for my wife and three children, fixed it so that a moderate sum would be paid in cash to my wife, followed by a monthly income for life. This he called "service." The years went by, and one day a letter came from the first company congratulating me on having become the owner of a fully paid, first-class piece of *life insurance property*, all twenty-five premiums on that first policy having been paid. I then realized that life insurance was property of a kind whose face value and whose cash value never shrink, though even the best of bonds may, before maturity, sell below par. And now I think of life insurance as "property" as well as "service."

Property that has policy-stipulated emergency value. Service that begins with writing the application, and continues, far down the years, until payment of the policy face in a single sum, or of the last income instalment.

\* \* \*

### THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLY  
Chairman of the Board

JOHN A. STEVENSON  
President

INDEPENDENCE SQUARE, PHILADELPHIA

## Pension Program of Equitable of Iowa Proves Popular

**Agents' Contribution of 3% of Income Matched by Company**

**DES MOINES**—The Equitable Life of Iowa, which has had an agents' benefit plan in operation since Jan. 1, 1938, reported that more than 80 percent of those qualifying had taken advantage of the program.

The benefit plan was adopted with the idea of accumulating a fund for the agent over and above the regular renewal commissions provided by his contract to be used to provide him with a pension in the later years of his life when his production begins to decline.

Since the plan was put into effect, the percentage of agents taking part indicates the plan has been popularly received by the company's representatives.

### Entitled to Contribute 3%

Under the plan, any field representative who has paid for \$1,500 or more in new premiums is entitled to contribute up to 3 percent of his total commission income and the company contributes a similar amount.

These contributions are accumulated at a guaranteed rate of interest of not less than 3 percent. To this interest rate is added such excess interest as the company may apportion.

At the age of 65 the agent can use the amount accumulated to his credit to buy an annuity on either a life or refund basis.

### Ten-Year Provision

In case the agent dies before retirement and after having had at least 10 years of service, his estate receives his own accumulated contributions plus the company contributions standing to his credit. If before retirement he withdraws from the service of the company, he is entitled to his own accumulated deposits but no portion of the company's accumulated contributions will be paid to him. If the agent dies before the 10-year period he receives only his own contributions.

During the first year of operation of the plan a total of 365 agents qualified for participation in the plan by paying for \$1,500 or more in first year premiums. Out of this number, more than 80 percent indicated their desire to participate in the benefit plan.

## STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gave the following stock quotations for life companies as of Oct. 10, 1939:

	Par	Div.*	Bid	Asked
Aetna Life	10	1.35*	28	30
Central, Ill.	10	—	9	11
Cent. States Life	5	—	1 1/2	2 1/4
Colum. Natl. L.	100	—	68	72
Conn. Genl.	10	.80	24	26
Conti. Assurance	10	2.00	33	35
Federal Life	10	—	4 1/2	5 1/2
Great Southw. L.	10	1.30	18	21
Kan. City Life	100	16.00	350	400
Life & Cas.	—	3	50	9 1/2
Lincoln Natl.	10	1.20	24 1/2	26
New World Life	10	.40	5 1/2	6 1/2
No. Amer. Life	2	—	2 1/4	3
N. W. Nat. Life	5	.30	11	13
Ohio Natl. Life	10	1.25	25	27
Old Line Life	10	—	50	10
Sun Life, Can.	100	15.00	285	325
Travelers	—	100	410	418
Union Cent. Life	20	1.20	20	25
Wis. National	10	1.00	15	17

\*Includes extras.

## Watch Experiment in Collective Recruiting

The Agency Personnel Clinic of St. Louis is an experiment in collective recruiting that will be watched with uncommon interest not only in St. Louis but throughout the country. During the first year at least, the clinic will operate for the benefit of not more than 15 agencies. It was organized by a committee that was appointed by the General Agents & Managers Association of St.



ARTHUR P. SHUGG

Louis. Headquarters have been established in the Buder building. L. J. Case is the director.

The bureau is undertaking to assemble prospective agents, apply selective tests, allocate those that are selected to the participating agencies and conduct a one month's training course for the new men.

The clinic is in touch with colleges and universities in the vicinity of St. Louis, with personnel departments of larger industries in the city and with vocational and employment centers. The clinic intends to be in touch with the personnel departments of the colleges throughout the year, with the idea of rendering a definite placement service prior to graduation of students. The personnel departments of industries are being requested to be on the lookout for men who seem to possess qualifications for life insurance selling but who may be miscast in their present employment.

The clinic is applying a testing procedure to the applicants including analysis of personality, interest, aptitude, intelligence and background. The clinic expects to select only those who show a definite tendency toward being successful agents.

### Method of Allocation

Those selected are allocated to the participating agencies in rotation. When a new man satisfies a general agent and when the recruit is satisfied with the situation, the applicant is considered as a member of the contracting agency and that agency takes its place at the bottom of the list.

A training course is to be repeated each month. Sessions are held all day during the first two weeks and late afternoon lectures are held twice a week during the following two weeks' period. The discussion leaders and lecturers are general agents, supervisors, and successful producers from the participating agencies. At the end of the first two weeks' sessions, the director confers with each new man and submits a report to the interested agency. The clinic intends to check up on its men regularly to determine how they are progressing.

The budget of the clinic is taken care of by the participating agencies but the

## TNEC Menace Is Los Angeles Topic

LOS ANGELES—That the TNEC program is inimical to the American agency system and that the cost of selling life insurance is to be the subject of a 29-page questionnaire sent out from Washington, both with the object of eventually having life insurance sold over the counter, was the message conveyed to the Life Insurance Managers Association of Los Angeles by John W. Yates, general agent Massachusetts Mutual Life and a trustee of the National Association of Life Underwriters, and Vice-president F. H. Haviland of the Connecticut General Life.

### Mosler Is Guest of Honor

Prominently displayed was the Managers Magazine gold cup, won for the second consecutive year by the Los Angeles association, which had as its guest of honor, in addition to Mr. Haviland, H. G. Mosler, newly elected chairman of the Million Dollar Round Table.

Mr. Yates spoke forcefully on the onslaught against the agency system and Clark E. Bell, president California State Association of Life Underwriters, who is among the leaders in the battle against the \$30-Thursday plan, of the questionnaire to be sent to the companies. He said contests are good things and declared he was for them, as they stimulate the men in the field.

### Concentrating on Field Men

Mr. Mosler said he expected to devote all his time during the year to help develop the men in the field, and assured his hosts that he was ready at any time

(CONTINUED ON PAGE 26)

intention is later to finance the undertaking from a charge to the agency of 5 percent of the first year's production of each recruit. The applicants will be charged \$10 for the training course and \$5 if they receive the testing service.

Arthur P. Shugg, Aetna Life, is president; E. P. Connolly, Penn Mutual, vice-president; A. E. Miller, Union Central, treasurer; W. H. VanSickler, State Mutual, chairman of recruiting committee; Fred T. Rensch, National Life, chairman of training committee; Carl Vaughan, (CONTINUED ON PAGE 12)

## War Uncertainty Forcing Borrowers to Private Issues

### Volume to Date Ahead of All 1938 as TNEC Hearing Approaches

NEW YORK—With the war making the 20-day "cooling" period an almost insurmountable obstacle to financing security issues through sales to the public, there is an unusual amount of interest in what will be brought out at the hearings on private placements before the Temporary National Economic Committee scheduled for next month. While the material will be presented by the Securities & Exchange Commission, which has been making the insurance study, and insurance men will be among those called as witnesses, the hearings will come under the SEC's financial study and not the insurance investigation.

Private sales of entire issues of bonds to life companies and other institutional investors are already substantially ahead of the entire year 1938, it is estimated. Fortunately, none of the proposals, even by those bankers whose business has suffered most from being bypassed by private placements, has been in the direction of equalizing matters by hampering private sales as public offerings are hamstrung.

### SEC's Attitude Not Clear

What the SEC thinks about private sales is not altogether clear. For a time it was thought that one of the main objectives of the SEC's investigation of life insurance for the monopoly committee would be to find some means of bringing these private deals within the scope of the securities and exchange laws from which they are now specifically exempt. However, a year ago (CONTINUED ON PAGE 24)

## Outside Speakers at "Ad" Men's Rally



DR. JOHN J. CATON

Two of the outside speakers at the meeting of the Life Advertisers Association at Detroit, Oct. 16-18, will be Dr. John J. Caton and Dr. Miller McClinton. Dr. Caton is director of research and engineering for the Chrysler Cor-



DR. MILLER McCLINTOCK

poration. He will address the banquet Tuesday night on "Present Day Education."

Dr. McClinton is chief executive of the Traffic Audit Bureau, Inc., and an authority upon traffic control.

## They've found a way...

ALL OVER THE COUNTRY there are people of modest means who are eager for the sense of security that life insurance can give them.

Yet many of these people cannot afford to buy Ordinary life insurance in \$1,000 units, with premiums payable annually, semi-annually, quarterly, or even monthly. They have to buy life insurance just as they buy almost everything else—in small amounts—with premiums payable in small, frequent installments.

That is why these people are grateful for the special method of furnishing protection known as weekly-premium "Industrial" life insurance—insurance they can conveniently pay for because the premiums are due in modest weekly payments. In fact, it can truthfully be said that if weekly-premium life insurance were not available, millions of people would have no life insurance at all.

These people welcome, too, the added convenience of having a company agent call regularly at their homes to collect their insurance premiums.

The relatively small amount of insurance per policy, the special services rendered, and the additional fact that premiums are payable in small installments, tend to make weekly-premium Industrial life insurance somewhat more expensive for the company to handle, and therefore more expensive for the policyholder. The higher average death rate experienced among these



people also contributes to a somewhat higher premium rate.

Metropolitan, however, is constantly studying ways of improving even further the efficiency with which this business is conducted. Throughout the years, consistent progress has been made in liberalizing the terms of Industrial insurance policies and providing more benefits for less cost.

Moreover, Metropolitan engages in extensive health activities in an effort to help these policyholders to protect their health and lengthen their lives.

Last year alone, Metropolitan paid, or credited as dividends, over \$260,000,000 to its Industrial policyholders and their families. Surely such welcome funds, paid in time of need, bear testimony to the fact that millions of people

have found a measure of security and peace of mind in Industrial life insurance.

COPYRIGHT 1939—METROPOLITAN LIFE INSURANCE COMPANY

This is Number 18 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

### Metropolitan Life Insurance Company

(A MUTUAL COMPANY)



Frederick H. Ecker, CHAIRMAN OF THE BOARD

Leroy A. Lincoln, PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.

THIS IS THE EIGHTEENTH in Metropolitan's series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. It appears in: Collier's, Oct. 7; Saturday Evening Post, Oct. 7;

Business Week, Oct. 7; Time, Oct. 2; American Weekly, Oct. 1; This Week, Oct. 8; Forbes, Oct. 1; United States News, Oct. 9; Cosmopolitan, November; Nation's Business, October; Fortune, October; News Week, Oct. 2.

## Canadian Group Writers Consider War Risk Action

TORONTO—There is evidence of a general desire on the part of Canadian business firms, large and small, carrying group insurance policies for the benefit of their employees to continue the life insurance protection on individual employees entering military service, if that can be arranged. Under ordinary circumstances group insurance comes to an end with the termination of the employee's connection with a firm.

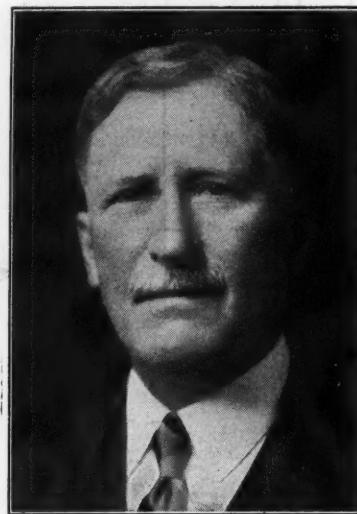
At the present time, the companies writing group are giving the subject considerable study and it is expected that a uniform practice in this respect will be shortly put into effect.

One large company writing group in Canada has offered policyholders the privilege of continuing group life insurance on enlisted employees on the basis of a leave of absence for a period of four months, as specified in some contracts, or two months as provided for under other contracts. Before the leave of absence period expires, there will be a definite decision as to just what arrangements can be made for a further continuance of the protection.

### Amendments Must Be Made

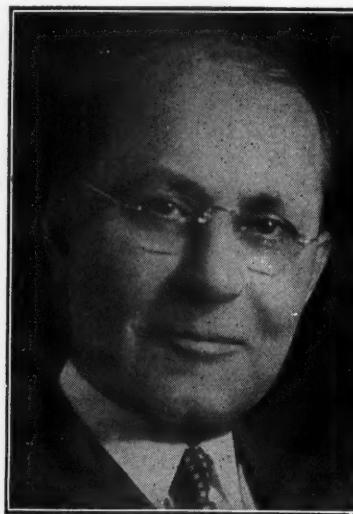
At the present time it looks as though some amendments will have to be made to existing group insurance contracts, where employers desire to keep enlisted employees insured both while in Canada and while overseas. In that event it is altogether likely that an extra premium will be required. Of course, the group accident and health coverage, hospitalization benefits and surgical operation benefits, where such benefits are included, will terminate when active employment ceases, as there is no way by

## ILLINOIS CHAMBER LUNCHEON



O. J. ARNOLD

O. J. Arnold, president Northwestern National Life, will be the speaker at the annual luncheon of the insurance division of the Illinois chamber of commerce Friday noon of this week at the Sherman House in Chicago. Mr. Arnold is prominent in chamber of commerce work in his city and is a direc-



GEORGE R. KENDALL

tor of the United States Chamber of Commerce from his particular section. George R. Kendall, president Washington National, chairman of the insurance division, will preside. He will be put forth as a candidate for director of the Illinois Chamber at its annual meeting in Chicago this week.

which the companies could provide these coverages on an individual entering military service.

In regard to the issue of new group policies, one company has announced that all new master policies will contain a war clause providing that the life insured, upon leaving the service of the

employer to engage in active service, will not be continued as a member of the group but will be permitted to take out an ordinary life and endowment contract at the attained age, at the date of engaging in active service, with the aviation and war restriction clauses as then issued by the company attached.

## Champions Direct Industrial Loans

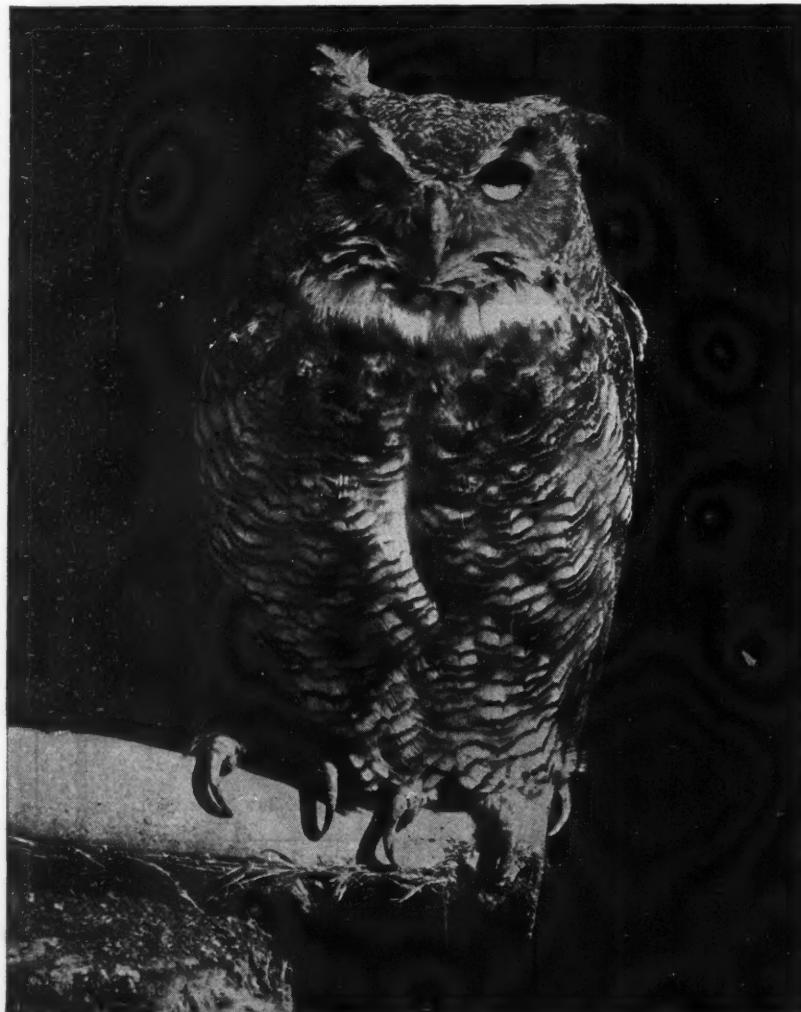
W. W. True of Equitable Society in addressing the convention of the Mortgage Bankers Association of America, in Detroit, championed life insurance investment in industrial and special purpose properties. The borrower enjoys advantages in dealing with an institutional lender directly on this type of loan, he declared. The borrower need treat with but one person in event of default; once his credit is established he has a continuing source of funds for expansion or refinancing; he is not required to register with the SEC, nor is he required to publish his earnings and other details of his business.

The expense is less in dealing directly than in registering and publicly distributing evidences of debt. Equitable, he said, recently closed a \$3,400,000 special purpose loan at an overall cost, ex commissions, of \$26,000. The cost of public financing varies from 9.2 percent of gross proceeds to 2.3 percent, depending on size.

In a mortgage loan, he observed, there are no trustee's fees, no listing expense, and no public notice of redemption. This type of financing is more speedy and certain.

The only disadvantage to a mortgage loan, the speaker asserted, is that the borrower may not purchase parts of his obligation for sinking fund purposes at a figure below the redemption price, which sometimes happens in a public issue.

The fifth suit against "aid societies" filed at Council Bluffs, Ia., by County Attorney Roy Smith is against the Iowa Benefit Association. Other suits had been filed against the Colonial Benefit Association, United Sons & Daughters of America, Loyal Order of American Fellowship and Providers of America.



## WISDOM

is rightly attributed to the man or woman who sees through the darkness of economic instability the sound investment of

Life Insurance

**GIRARD LIFE**

INSURANCE COMPANY OF PHILADELPHIA

Opposite Independence Hall

## **Stewart Anderson, Penn Mutual Editor for 16 Years, Dies**

Stewart Anderson, for the past 16 years editor and advertising manager of the Penn Mutual Life, died Oct. 6 at the age of 71 years. He was born in 1868 at Wisbech, Eng., the son of a Baptist minister. He studied in private schools at Epworth, Eng., and at the age of 12 came with his family to America, working in a Chicago department



**STEWART ANDERSON**

store. After a period writing for newspapers in Springfield, Mass., he entered life insurance in 1894 as a stenographer to President M. V. B. Edgerly of the Massachusetts Mutual Life. After night study in law he was admitted to the bar of Massachusetts, and was transferred to the mortgage department.

### **With Massachusetts Mutual**

His success at feature writing for Springfield newspapers prompted the Massachusetts Mutual to assign him to editorial work on agents' literature and to revise the wording of the policies. He founded that company's magazine, the "Radiator." He also attracted attention as a public speaker, and was president of the Springfield Publicity Club and the Rotary Club and active in many civic interests. After 23 years with the Massachusetts Mutual he left to teach salesmanship with the Sheldon School, but in 1918 he returned to life insurance to take charge of the literary bureau of the Mutual Life of New York, where he edited its agency bulletin, "Points."

Since 1923 he has been editor and advertising manager of the Penn Mutual, recreating advertising literature and editing the Penn Mutual "News Letter." He was a well known figure as a speaker at agency conventions and life association meetings.

He is survived by his wife, Grace Perry Anderson, living at Narberth, Pa., and a son and a daughter. The son, E. S. Anderson, is in the advertising department of the Hartford Fire. The daughter, Mrs. Stuart John, lives in Dallas, Tex.

### **Editorialized Advertisements**

Mr. Anderson introduced editorialized or personal advertisements in trade business papers.

His idea was that the real purpose of a company advertisement was to help maintain goodwill for it. He thought it wasted effort to reprint its national magazine advertising, a very bad business to try to brag about one's company, and certainly the advertisement could not print anything which could be construed as proselytizing. Therefore he would write advertisements which were really more or less editorials, and he got

the information for copy from a great many different sources—one of the ideas, for example, was to show life insurance in action. It will be observed that he pointed out frequently that the same case that he was describing could have happened in any other company.

### **Did Some Moralizing**

In other words, some of the advertisements were practically institutional editorials for the whole life insurance business. He also discussed practically any subject that came up in the course of business and moralized a bit about it, but one of the things that was especially notable was that he would use the space to boost great life insurance organizations—such as the National Association of Life Underwriters, the Life Presidents Association, American Life Convention, Actuarial Society of America, and other organizations which are cooperative for the general benefit of the business. On certain occasions, when a big man in another company died, Mr. Anderson would use his space to speak about him. The resultant goodwill from these advertisements was quite remarkable. He received letters from officers of other companies, thanking the Penn Mutual and congratulating it, and speaking of the actual good it had done. He would get letters from agency managers and general agents saying that they found these ads useful in actually writing business, as, for example, in the matter of comparison of ordinary insurance with term insurance. In a number of cases other companies would ask for the privilege of reprinting the advertisements for use by their field men, or they would inquire whether copies were available. For the past eight years Mr. Anderson has written one a week—an extraordinary job of originality, for he achieved the unexpected point of having advertisements actually read, not only by the Penn Mutual people but by those of other companies, creating a great deal of favorable thought toward the Penn Mutual.

## **Johnson Outlines Selection Methods of Parsons Agency**

How the Bruce Parsons Chicago agency of Mutual Benefit selects its new agents was outlined by Oliver Johnson, agency supervisor, before the Life Supervisors Club of Chicago.

The Parsons agency, although established only since the summer of 1937, has attracted wide attention because of its successful selection program and rapidly increasing production volume. Much of the system of selection has been developed by Mr. Johnson.

Mr. Johnson said that each prospective agent is subjected to a written examination required by the company, standard tests recommended by the Sales Research Bureau, measurement by the Psychograph (which was described in the June 23 issue of *THE NATIONAL UNDERWRITER*), and to separate interviews by each ranking member of the agency staff.

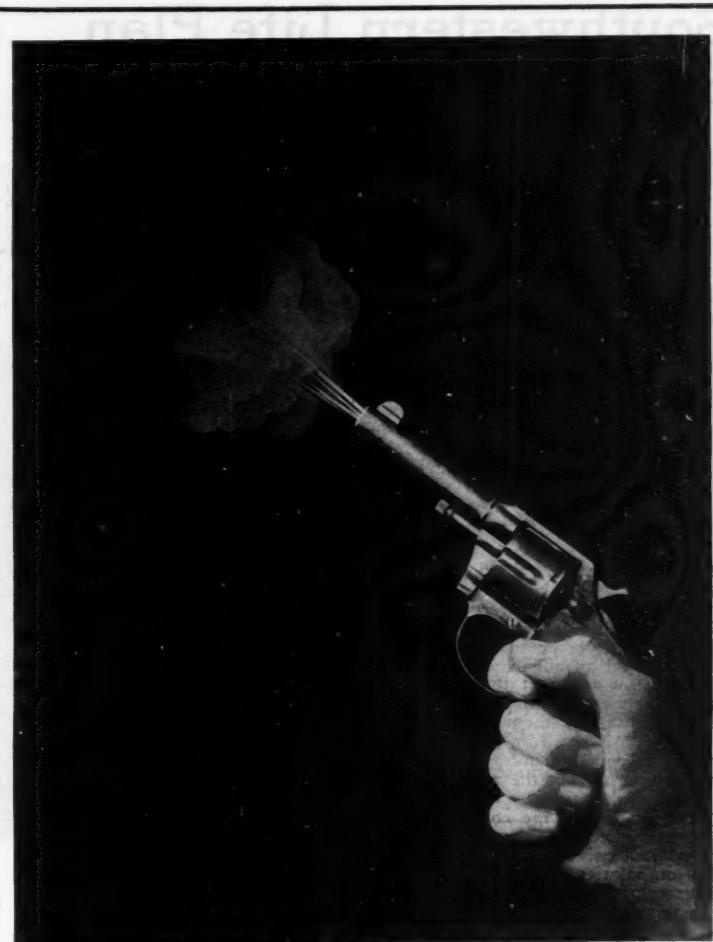
If the man is found acceptable, he is then told what the agency will do for him. Before reaching a decision as to whether he will affiliate, it is suggested that he visit at least five other successful competing company agencies.

### **Holds Salary Savings Parleys**

E. A. Starr, manager of salary savings at the head office of Connecticut Mutual, who has been on the road for several weeks, conducting agency meetings on his specialty, held a one-day conference with the members of four agencies in Peoria Saturday. In addition to the Peoria agency, those participating were the agencies in Decatur and Rockford, Ill., and Davenport, Ia.

### **Washburn with Colorado Life**

Colorado Life has appointed W. O. Washburn as general agent in Houston with offices at 514 Sterling building. He has been with Southland Life for 14 years.



## **STARTER FOR THE WEEK**

Every Monday morning of the year, each LNL man receives his starting idea for the week—through his Monday Morning Message.

This up-to-the-minute bulletin offers one timely suggestion each week on a current life insurance sales opportunity, or bits of news that have a definite bearing on the coming week's sales activity. Every Message helps LNL men sell.



**THE LINCOLN NATIONAL LIFE INSURANCE COMPANY**  
FORT WAYNE, IND.  
ITS NAME INDICATES ITS CHARACTER

## Southwestern Life Plan in Agency Development

Arthur Coburn, vice-president Southwestern Life of Dallas, who is doing much to get agency acquisition cost on an effective basis and getting insurance salesmen who will stick, brings its efforts up to date. In a contribution to *THE NATIONAL UNDERWRITER*, he says:

"Your readers are interested in developments in agency work; so I am keeping an old promise to you of letting you know for publication what we do. We believe the only effective way to get down the cost of producing successful salesmen is to increase up to but not beyond the limit of diminishing returns the cost of selecting and educating each apprentice agent hired but to be quite certain that each apprentice is really worth hiring.

### Mechanical Means Tried

"We experimented with mechanical means of selection. Perhaps because no such system will be interpreted the same way by all managers or others responsible for hiring, we were not successful. We got the idea that all our managers had an adequate appreciation of what it would cost the company if they hired men on salaries and an undue proportion of them did not make the grade. Not all of our managers have been equally successful in hiring men on salaries, but the average results have been pleasing.

"We stepped up the cost of training each apprentice to about \$1,500. Add to that \$300 which is the average loss to us on salaries. Because better than 50 percent of the men hired on salary are making the grade, we are now turning out three successful salesmen for each \$10,000 invested in that effort. This is better than twice as good as we used to do.

### Example of Results

"As an example of results, we hired 19 men on salary in 1937. The maximum loss to us on their salaries will be less than \$3,819. Thirteen of these men are proving successful to a degree that is satisfactory to us. We are a me-

dium-sized company. We operate in one state only. All of our men are within easy reach of one another. This has made the job easier for us. Our monthly salary ranges between a minimum of \$100 and a maximum of \$300. Our greatest success has not been at the higher figure nor with the older recruit. We never guarantee a salary for more



ARTHUR COBURN

than two years, and then only if the apprentice has been known to us for at least two years prior to hiring.

"We have a rule not to guarantee a salary for a year unless the apprentice has been well and favorably known for at least a year. Exceptions have been made to this rule, but I am by no means convinced that they were wise. Salaries seem to have encouraged us to be more careful and to restrict our hiring to men better known to us and most emphatically important longer known to us."

## Roderick Pirnie's Book Ready Soon

Showing exactly how a top-flight life underwriter works, and providing the complete details of an outstanding successful estate planning method which has already proved itself to work for others as well as it does for the author, "Planning and Selling the Basic Estate"—a most unusual new book, will come off *THE NATIONAL UNDERWRITER* press shortly.

"Planning and Selling the Basic Estate," written by Roderick Pirnie, general agent Massachusetts Mutual at Providence, R. I., and member of the Million Dollar Round Table, is for advanced underwriters—for C. L. U.'s and those who hope to become C. L. U.'s. The author is well known as a man of broad experience and understanding, as well as a producer who has been highly successful through all the recent difficult years. He constantly lives his firm belief that no beneficiary has been properly taken care of if a large sum of money is dropped in his or her lap upon the policyholder's death. For a long time, Mr. Pirnie and his associates withheld from publication their standardized presentation plan with which they have sold \$30,000,000 of life insurance in recent years. Recently, however, *THE NATIONAL UNDERWRITER* was able to persuade them to release it for the benefit of the business.

Roderick Pirnie is one of those unusual life insurance men who possesses both the keen analytical power and the

desire to share his methods with others and both are essential to the production of a thoroughly practical explanation of "how-one-does-it." His new book takes the reader behind the scenes and shows in simple understandable terms exactly how it is done and how to do it.

"Planning and Selling the Basic Estate" contains all the canvassing and auditing forms used by Mr. Pirnie, together with the standardized outline presentation which has been so effectively used not only by Mr. Pirnie but equally well by many of his associates who have worked it. Every underwriter with the right background will find "Planning and Selling the Basic Estate" something he can read and use with profit. Selling singly at \$2 a copy, it can be obtained from *THE NATIONAL UNDERWRITER*'s Book Department at 420 East Fourth street, Cincinnati.

### Average Conn. Policy Lower

The average ordinary life policy written in Connecticut in 1938 was \$2,079, compared with \$2,146 in 1937, \$2,024 in 1936, \$1,907 in 1935 and \$1,772 in 1934.

This is one of the interesting figures that Commissioner Blackall has extracted from the 1938 records for a publicity release.

Total life insurance written on the lives of Connecticut residents in 1938 amounted to \$244,280,767 compared to \$330,905,372 in 1937. Group business amounted to \$46,145,541, a decline of \$48,143,930 from the previous year. New industrial insurance was \$70,757,278, a decrease of 14.3 percent. The average industrial policy was \$365.

## N. Y. Hearings on Industrial Changes to Be Held Oct. 25

NEW YORK—Hearings on changes proposed by the New York department in the law covering industrial insurance will be held before the joint legislative committee for recodification of the insurance law beginning Oct. 25 10 a. m. in the state office building, New York City, Assemblyman R. Foster Piper, chairman, has announced. Hearings are expected to occupy the subsequent two days as well.

A year ago the department issued a pamphlet entitled "Industrial Life Insurance." Some of its 15 recommendations were included in the new insurance code which becomes effective Jan. 1, 1940. The more controversial recommendations, however, were omitted from the code and it is these that will be taken up at the hearings.

### Department's Recommendations

These recommendations include the following: (1) Higher rate of compensation for ordinary than for industrial; for monthly premiums than for weekly; and for insurance on adults than on children. (2) Prohibition against compensation to managers and assistant managers being based on increases in business. Some companies have already modified their contracts along this line. (3) Mandatory allowance of a 10 percent discount for payment of weekly premiums to branch offices or home offices. This is already done by some companies and has been a Metropolitan Life practice for many years. (4) Maximum total limit of \$1,000 weekly premium insurance on any one person in a single company. (5) A method for changing from weekly premium to monthly premium at a proper premium discount on the new insurance. (6) A standard provision in all industrial policies that on request of the insured and evidence of insurability industrial may be changed to ordinary. (7) Adoption of a new and more modern industrial mortality table. (8) Standard provision for payment of cash values after four years in force. The present law is five years.

The recommendation that the law be clarified to permit payment of additional compensation for conserving business, though not included in the code, has been settled by a suit in which the court held that the company is permitted to pay such compensation.

### Some Are in Code

Recommendations included in the code were that the limit on children should be graded from \$100 at age 1 up to a maximum of \$400 between ages 3 and 10; that there should be a space in the policy and the application for naming beneficiaries; that the insurance superintendent should be given power specifically to disapprove misleading provisions in policies; that companies be compelled to notify insured, six months after lapse, of the nonforfeiture options open to them; that the sound health clause be limited to illnesses treated in the two years previous to applying for insurance; and that the word "industrial policy" must be carried plainly on the face of the policy.

Bills embodying the department's recommendations in concrete form are now being prepared and will be ready before the date of the meeting, Chairman Piper said.

### Halliburton Declared Dead

MEMPHIS—A jury in chancery court declared Richard Halliburton, famous adventurer, on the basis of evidence furnished by his father, Wesley Halliburton, to have died at sea in a Chinese junk between Hong Kong and San Francisco. The decision involves payment of a \$10,000 war risk policy and other insurance totaling \$42,000.

## Issue Arising Over Receivership Plan of American Life

### Iowa Commissioner Declares Its State Deposit Is for Iowa

LANSING, MICH.—A test of the status of assets of the defunct American Life of Detroit, impounded in Iowa is to be made with the collaboration of the three separate receivers involved, it was disclosed by Michigan department officials.

Formal notice was served on Commissioner Emery, the permanent liquidating receiver, to the effect that a test action has been started in Tarrant county, Texas, 48th judicial district court, by Dan E. Lydick, the Texas receiver, whose purpose will be to determine whether approximately \$3,000,000 of assets deposited in Iowa are to be construed as general assets of the company or a trust deposit to cover the reserve liability of the old American Life of Des Moines which the Detroit carrier took over in 1921.

### Main Issue at Hand

It is set forth in this petition that part of the impounded assets are apparently Texas and Michigan assets, approximately \$800,000 in foreclosed mortgages on Texas Rio Grande properties being included. A decision as to whether Iowa policyholders and creditors are exclusively entitled to these assets or whether they should be commingled with the other assets in connection with liquidation or reinsurance is sought through the test litigation in which it is understood that all three receivers, including Commissioner Fischer of Iowa, will lend their cooperation.

### Commissioners Will Confer

Oct. 17 has been set as the deadline for receiving reinsurance offers for the American Life's business, with a hearing to be conducted in Ingham county circuit court here Oct. 31.

On Oct. 23, Commissioner Emery announced, commissioners and receivers of four other interested states will confer here on the reinsurance offers in an effort to determine the most favorable for recommendation to the court. Those expected to attend are the Iowa commissioner, who is also receiver, with his counsel; the Texas commissioner and the receiver and two attorneys; the Oklahoma commissioner, and the Indiana commissioner or his actuary, the commissioner having recently suffered an injury that may prevent his attendance.

### DEPOSIT MADE IN IOWA

DES MOINES—Recommendation that Insurance Commissioner C. R. Fischer of Iowa be appointed permanent receiver for the American Life of Detroit so far as its so called assets are concerned was made to Federal Judge Hollaran by A. T. Wallace, referee appointed to determine whether the temporary receivership in June, 1938, should be made permanent. The receivership asked by Commissioner Fischer is sought primarily to protect Iowans holding policies of the former American Life of Des Moines, which the Detroit company purchased in 1921. The Detroit company has \$3,600,000 in securities of the Des Moines company on deposit with the Iowa department to guarantee the reserves of Iowa policyholders. If the court adopts the referee's report Commissioner Fischer will

(CONTINUED ON PAGE 26)

## Actuaries to Discuss Big Issues of Day

The fall meeting of the American Institute of Actuaries in Chicago, Nov. 2-3, comes at a time when a number of large questions is facing the life insurance business and the program that has just been announced, indicates that the actuaries intend to treat these currently topical matters. The session thus promises to be especially interesting and productive. Among the topics scheduled for informal discussion are the amendments to the social security act, the war, the proposed new mortality table, the new gain and loss exhibit.

The official program lists no new papers to be presented but there will be discussion of three papers that were presented at the previous meeting.

The topics for informal discussion are given as follows:

### Production, Policy Contracts

#### I. Production and Policy Contracts.

1. How will the federal old age insurance and survivorship insurance provisions under the 1939 amendments to the social security act affect production? Have any special policies or settlement provisions been devised to supplement the benefits under these provisions?

2. What special policies are being issued to cover mortgage redemption?

#### II. Effects of the war.

1. Will the war bring about a general increase in interest rates?

2. What has been the nature of any war risk exclusion clauses already adopted?

3. What special underwriting rules or changes in practice have been adopted on account of the war hazards?

#### III. Office Practices.

1. What is the practice in attaching a "common disaster" provision to policy contracts?

2. What is the practice in regard to allowing indebtedness to be repaid after the death of the policyholders, in order to apply such funds under the option of settlement? If payment at death, maturity or surrender of a policy has been made in one sum, what is the practice of allowing proceeds to be returned and applied under an option of settlement?

3. Have companies adopted the collateral assignment form recommended by the American Bankers' Association and the Association of Life Insurance Counsel?

#### Relation of Reserves to Surplus

#### IV. General.

1. What are the advantages and disadvantages of maintaining maximum reserves as compared to maintaining minimum reserves and increased surplus funds?

2. What are the views of actuaries and what course should they pursue with respect to the recommendations of the committee to study the need for a new mortality table and related topics, as reported to the National Association of Insurance Commissioners? In this connection is there need for revision of state statutes relating to surrender values?

#### Gain and Loss Exhibit

#### V. The new gain and loss exhibit.

1. What are the advantages and disadvantages of the new gain and loss exhibit?

2. Are companies going to continue to publish their mortality and interest experience?

3. What methods will be used to

## Cincinnati Leader's Long Service Is Recognized

Samuel P. Ellis, general agent in Cincinnati for Provident Mutual Life, in recent weeks has been given recognition as one of the real insurance veterans of the country. At the St. Louis convention of the National Association of Life Underwriters he was one of a small group that was feted at the head table and introduced as a 50-year-man. Provident Mutual held a gathering in St. Louis, attended by representatives of its companies at the convention, honoring Mr. Ellis. Then upon his return to Cincinnati, Mr. Ellis was feted at a dinner by 90 associates and business friends upon the occasion of his 50th anniversary with Provident Mutual. C. Vivian Anderson, former president National Association of Life Underwriters, whom Mr. Ellis brought into the business 26 years ago, was the toastmaster.

During Mr. Ellis' incumbency, the Cincinnati agency, which is one of the oldest in Provident Mutual, has been distinguished for its steady production, large average policy, outstanding persistency record and high quality of personnel.

allocate expenses by lines of business?

#### Employee Pension Plans

VI. Employee pension plans of cities and other local governmental bodies.

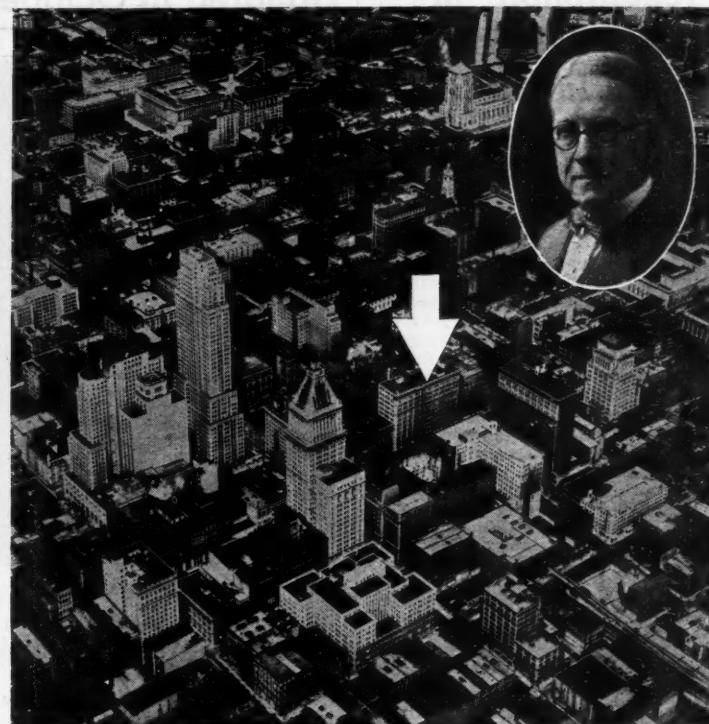
1. What are the arguments for and against a non-reserve technique for these plans? What special considerations are present when the municipality is approaching the limit of its permissive indebtedness?

2. Under the recent amendments of the social security act, the reserves of the federal old age and survivor's insurance will apparently be on a contingency reserve basis, instead of the full reserve basis originally contemplated. Concerning the question of financing is there any analogy between the federal old age and survivor's insurance and municipal employee pension plans? Should a compromise be used under which the employees' contributions for such plans are handled on a full actuarial reserve basis with no advance accumulation of funds for the part of the benefits to be paid by the governmental body as employer?

## Accommodations Adequate for Commissioners' Meeting

Jess G. Read of Oklahoma, secretary of the National Association of Insurance Commissioners, desires to give reassurance to those who are disposed to attend the commissioners winter meeting at Edgewater Park, Miss., but may be deterred, thinking that the hotel accommodations there are limited. Mr. Read expresses the belief that the number likely to attend the meeting can be amply provided for at the headquarters hotel, the Edgewater Gulf. The hotel has more than 300 rooms and Mr. Read anticipates that the attendance will be about 400. That number could be easily accommodated in the hotel. Should there be a great many more than that, there are other hotels in the neighborhood, he states.

G. E. Murphy was incorrectly identified as general agent of the Home Life of New York in Minneapolis. Mr. Murphy is special agent and Frank J. Lynch is general agent.



Fairchild Aerial Survey, Inc.

## HATS OFF TO CINCINNATI!

Rich in Provident Mutual tradition and performance is the agency at Cincinnati, one of the first to be established by the Company. Old in time but young in deeds and spirit, the agency has been distinguished over the years for its steady, reliable production and for the extraordinarily high quality of its business in force.

Average policy for the first half of 1939 stands at nearly \$5000. Persistency is uncanny; for twelve of the last thirteen years the agency has held the Company's bronze plaque awarded to the leader in conservation for its class. New business for the year is one-third ahead of the corresponding 1938 figure, while that year in turn showed an increase over 1937.

Much of the credit for Cincinnati's brilliant record must go to Samuel P. Ellis, who joined the Provident Mutual when a boy and who became a general agent in 1907. A man of tact and sincere friendships, he holds the affection not only of his agents but of many associates throughout the Home Office and field force.

We take pleasure in congratulating "Sam" Ellis not only on his fiftieth anniversary in Provident Mutual service, which occurs this month, but on the splendid agency structure which reflects his life's work as a citizen of Cincinnati and of the nation.

**PROVIDENT MUTUAL**  
LIFE INSURANCE COMPANY OF PHILADELPHIA  
Pennsylvania • Founded 1865

## "Presumption" in Suicide Case Has Limited Intent

Wendell J. Brown of Scott, McLeish & Falk gave a paper "Presumption Against Suicide in Insurance Cases Under Illinois Law," at the opening fall meeting of the Chicago Life Insurance Lawyers Club, Tuesday evening.

Mr. Brown concluded that in a double indemnity case upon a showing of external and violent cause of death, the presumption against suicide takes the place of evidence, temporarily, so that the defendant, upon such a showing, has the burden of going ahead with the evidence, although the plaintiff still has the burden of proof in the sense of the burden of persuasion. If the defendant does not accept the burden of going ahead with the evidence and there is nothing in the plaintiff's proof to indicate suicide, then the plaintiff would be entitled to instructions concerning the presumption at the close of plaintiff's case.

### When Presumption Vanishes

If, however, the defendant produces any evidence which tends to prove suicide, then the presumption against suicide disappears or vanishes from the case. If the defendant produces uncontradicted and uncontested evidence so that the only legitimate inference is that the assured's death was from suicide, then the defendant is entitled to a directed verdict at the close of all the evidence. This is true whether double indemnity is involved in which the plaintiff has the burden of persuasion or the case involves a single indemnity in which the defense is an affirmative one and, hence, the defendant has the burden of persuasion.

Inasmuch as the presumption against suicide disappears upon the production of any evidence there is no occasion to instruct the jury as to the presumption against suicide upon the production of evidence. In fact, such instruction should be avoided as likely to mislead the jury because of the mysterious connotation of the word "presumption." The basis for the presumption against suicide, resting as it does upon the common knowledge and experience that sane men do not take their own lives may still be in the case. Such matter may be covered by a general "stock" instruction to the jury, which admonishes them to bring to their consideration of the case their common sense and common knowledge and experience.

### Prejudicial Importance

No special reference should be made to the fact that such common experience shows that the majority of men do not take their own lives for the reason that such a reference singles out one element in the case and gives undue and prejudicial importance to it. If such an instruction is to be given, then it should be accompanied by a corollary general instruction to the effect that common experience also shows that some men do commit suicide. Assuredly no instruction should be given which employs the word "presumption" as such word is an invitation to the jury to presume an accident even at the cost of overlooking the evidence before them.

The better practice would be to avoid any reference to either the non-existent "presumption" or the basis for the presumption. There is no prejudice to the plaintiff in such procedure because the jury would be told to bring to the case their common sense and common experience. Naturally the jury will scrutinize the evidence with the thought in mind that sane men do not ordinarily take their own lives. On the other hand, the giving of any instruction is likely to be so prejudicial to the defendant that when all is done the result is likely to be as "in many cases of self-destruction to be found in the books, that judge and jury alike have been unable to take a common sense view of the facts of life, and have seemed to be the only persons in

## Honored in October



JOHN J. MORIARTY

Agents of the American Mutual Life of Des Moines are dedicating their October production to John J. Moriarty, agency vice-president, in honor of his birthday and the second anniversary of his association with the company.

Mr. Moriarty was tendered a birthday dinner on Oct. 2 by the home office staff and was greeted by telegrams from the general agents pledging a record-breaking volume in his honor.

the community who did not clearly understand what had taken place."

David J. Kadyk of Lord, Bissell & Kadyk related an interesting claims story and Paul E. Keller, Benefit Association of Railroad Employees, gave a review of current decisions.

### Higher Courts Pass on Important Life Cases

The Michigan supreme court had a group insurance case before it in Metropolitan Life vs. Gray et al. The decedent was insured under a group policy in which his wife, the appellee, was named as beneficiary. The two were never divorced, but they separated and for more than a year prior to his death decedent cohabitated with the appellant, changed the beneficiary in her favor and designated her as his wife. When each of the women claimed the insurance proceeds, the company brought a bill of interpleader. It was held that the fact that the appellant was not decedent's lawful wife did not prevent her from being the beneficiary under his policy, and since there was no convincing evidence of undue influence, a decree was entered sustaining the change of beneficiaries.

\* \* \*

The Tennessee court of appeals, middle section, had a case before it involving disability benefits, Guardian Life vs. Richardson. The policy under which the plaintiff brought suit provided for disability benefits should the insured become wholly and incurably disabled by "bodily injury or disease" so as to be prevented from engaging in any occupation whatsoever for remuneration or profit. The evidence proved that the plaintiff had suffered a nervous breakdown which affected his mind, and as a result of which, he was placed in an institution. There was testimony that the plaintiff, because of his condition, was unable to follow any occupation. However, because the disability resulted from a mental disorder rather than from a "bodily disease," it was held that the defendant's motion for peremptory instruction should have been given, and the plaintiff's suit was dismissed.

## Effect of the War on Real Estate

What effect will the war have on real estate? This question has been of paramount interest to life companies since the outbreak of hostilities in Europe. If the war is, as now appears likely, a long, drawn-out affair, it should mean a more acute accentuation of the effects developed by the first World War, believes P. W. Kniskern, president of the First Mortgage Corporation of Philadelphia. They are: (1) Rising rents, (2) higher mortgage interest rates, (3) increased cost of building materials, (4) higher property values.

"It must be remembered," said Mr. Kniskern, "that real estate conditions today are not the same as they were in 1914. Then, we had a slight building boom, had an oversupply of housing and were in a period of construction inactivity. Again, we had a surplus not alone of houses but of materials and men as well.

"Today we find no abundance of living units. If anything, we have a potential housing shortage at least. There has been no new building to speak of for ten years. The increased activity this year, while it is highly gratifying, still is far behind normal new home construction. Not only do we lack today a surplus of housing, but we lack as well a surplus of building materials. Inventories have been low as a result of the depression and we find today no existing reserve of lumber or steel or bricks or any of the other things that go into the building of a home. Two weeks after the declaration of war there are already some minor problems in getting material deliveries.

"We have barely sufficient skilled labor for the present low construction activities—no apprentices have been trained for years. Business expansion and war industries will absorb many good mechanics and laborers. Under those conditions, labor costs are bound to rise."

### Michigan Meeting Held by Wisconsin National

The Michigan agency force of the Wisconsin National Life met at Lansing, at a luncheon marking the start of a business production contest honoring Gen. C. R. Boardman, president, whose birthday is Oct. 28. Fifty-three, attended, 38 agents and 15 wives, while 72 applications totalling \$158,000 of new business were turned in for the first week's work of the drive.

The producers were headed by Currie Smith of Lansing with \$19,000, Fred Rumble, Plainwell, \$16,000, W. F. Kingsbury, Jr., Jackson, \$14,000, F. P. Hastings, Detroit, \$12,500, Ed. Pollard, Battle Creek, \$10,500, and E. R. Phillips of Grand Rapids with \$10,000, while every agent present turned in at least one or more applications.

The meeting was presided over by M. S. Kirkpatrick, Michigan superintendent of agents, while the home office was represented by G. A. L'Estrange, manager of the accident and health department. A. G. Hambaum, field supervisor from Grand Rapids, and George Wilkinson of Muskegon were speakers.

### Old Racket Under New Name

LINCOLN, NEB.—John S. Logan, insurance department attorney, has asked the Iowa attorney general and insurance department to halt the operations of a newly organized benevolent society at Council Bluffs, the Loyal Order of American Fellowship, which has sent agents into Nebraska, particularly Omaha.

Mr. Logan's information is that it has the same officers as the Colonial Benefit Society, which recently retired to avoid federal prosecution, and that their agents are trying to secure exchanges of the old policies for ones carrying

## Rocky Mountain States Handbook Is Now Available

The Underwriters Hand-Book of the Rocky Mountain States has been published by THE NATIONAL UNDERWRITER covering Colorado, Idaho, Montana, New Mexico, Utah and Wyoming. It is a combination of the hand-book previously published by THE NATIONAL UNDERWRITER covering Colorado, New Mexico, and Wyoming with the books covering Idaho, Montana, and Utah previously published by the "Underwriters Report" of San Francisco from which THE NATIONAL UNDERWRITER recently secured the rights to publish hand-books for these and the other Pacific Coast states. This new book contains 564 pages full of data which will be interesting and valuable to all who are doing business in the Rocky Mountain territory.

The agency department gives the complete list of all the agencies and agents in the six states as licensed by the insurance departments and shows for each agency the members of the firm, date established, address, list of companies represented and other business transacted, if any. This data is listed alphabetically by cities and towns and states so that the user has complete information in one spot on any one town. Also given is the complete list of Colorado brokers. In compiling this new book the publishers secured from the insurance department of each state the complete list of licensed agents and this information was further added to and checked in the field by the publishers' representatives who called on every agent in all cities and towns of 5,000 or more population. As a further check proofs of the information were mailed out prior to publication to catch last minute changes, thus insuring a most accurate and up-to-date compilation.

### Complete Company Information

The company directory department gives complete information on all the companies licensed to operate in these six states: home office address, officers, field men, general agents, which of the states they operate in and organizations of which they are members. The lists of fire field men and life and casualty general agents and managers are given alphabetically in separate sections for easy cross reference.

Life insurance paid for and in force is given for two years in Colorado and one year for each of the other states for the life companies and fraternals.

The Rocky Mountain Hand-Book covers all branches of the business—fire, casualty and life, stock, mutual and reciprocal and gives data on many organizations not found in any other reference book as they are too small or operate only locally.

This new book contains a great mass of information which is invaluable to anyone interested in insurance in these states and brings together under one cover in condensed, carefully indexed, concise form the complete data on these states insurance-wise which heretofore has not been available in such a comprehensive manner.

THE NATIONAL UNDERWRITER is now preparing the Underwriters Hand-Book of California which will be available shortly. This new book, previously published by "The Underwriters Report" will also contain data for Arizona and Nevada and will be compiled with the same accuracy and completeness which has characterized other NATIONAL UNDERWRITER state hand-books.

smaller coverage, and are collecting premiums.

### Mark Wofford's 20th Year

H. L. Wofford, manager Prudential, New York City, was host to a group of his friends at a luncheon marking his 20th year in the life insurance business.

## Iowa Farm Sales Increase Under Fischer Regime

### Disposals Are Up 200 Percent During Last Two Months

DES MOINES—Insurance companies are disposing of their farm holdings at a brisk pace, it is reported by the Iowa department, with sales showing a 200 percent increase during the last two months over the same period in 1938.

With the exception of two or three eastern companies, which have the largest holdings of the insurance companies in the state, they have been following the suggestion made last spring by Commissioner Fischer that they begin to sell their land holdings in Iowa.

Although no accurate figures are obtainable, it is estimated that some 2,000 farms have been disposed of, which amounts to one-tenth of the holdings by insurance companies. Last spring the insurance companies held over 20,000 farms.

#### Prices Are Firm

A few of the farms have been sold for advanced prices, but as a rule the prices have held firm and without any material advances. Most of the sales have been to tenants and to actual farm operators with a few going to investors.

Mr. Fischer indicated that there has been no change in the policy of the Iowa department in having the insurance companies dispose of their farms within a period of five years of ownership.

During the depression years and the following years under another administration, the insurance commissioner was lenient in enforcing the five-year limit and granted numerous extensions. Mr. Fischer, however, has not granted a single extension since he assumed office last February.

"Disposal of foreclosed farms is a public question," Mr. Fischer maintains, "and it is the opinion of this department that such farms should be sold to owner-operators as soon as feasible. There has been fine cooperation on the part of Iowa companies and by all but a few out-of-state companies.

"Farmers would like to buy their insurance from companies who are trying to help solve the farm tenancy problem, and they are becoming well informed through this program which companies these are."

Mr. Fischer disclosed that one Iowa company has disposed of 100 farms during the past two months. The 100 farms represented one-sixth of its holdings.

### Life of Detroit Takes Over Cincinnati Mutual Life

COLUMBUS, O.—The Life of Detroit has acquired all the business and assets of the Cincinnati Mutual Life, which was incorporated in 1877. The reinsurance was approved by a commission under Ohio law consisting of H. M. Miller, representing Governor Bricker; D. M. Spriggs, assistant attorney-general, and Superintendent Lloyd.

Cincinnati Mutual was formerly Knights Templar & Masonic Mutual Aid.

Assets of the Detroit company after taking over the Cincinnati Mutual are approximately \$6,900,000, insurance in force almost \$27,000,000 and premium income \$937,000 per year. Walter Lindsey, operating head and secretary of the Cincinnati, remains in charge of southern Ohio interests. Arthur Miroff, agency supervisor of the industrial organization, also remains in the same

capacity. He was formerly district manager of the Public Savings and Western & Southern Life. The entire industrial agency organization also remains with the Detroit company.

## RECORDS

California-Western States Life showed increase of 30.2 percent in written business and 23.7 percent in paid pro rata for September over the same period last year.

**Pilot Life**—In the first nine months of this year more than twice the gain of insurance in force was recorded as in the same period last year. Total insurance in force is \$134,698,514. Last month the company made one of its largest gains, increasing its business in force by \$372,000.

**Massachusetts Mutual**—With September life insurance sales of \$9,988,197 it made a 10.3 percent gain over the same month last year, the volume being the best since March. The nine months' sales of \$105,260,480 were 13.5 percent ahead of the same period a year ago. Annuity sales through September amounted to \$14,462,141, a 1.2 percent gain, giving a gross business increase of 11.8 percent for the year.

## New Secretary

C. F. Nettleship, Jr., the new secretary of the Financial Section of the American Life Convention, is assistant secretary of Colonial Life of Jersey City in charge of the bond department. He was graduated from the Newark Academy in 1920, and graduated with honors from Wesleyan University in 1924. The next four years he was with a New York Stock Exchange firm, serving in various capacities. In 1928 he went into the investment department of Colonial Life and has served as assistant to the president, manager of the bond department and assistant secretary.

Mr. Nettleship is a member of the Bond Club of New Jersey. He has had a lifelong interest in numismatics, belongs to the American Numismatics Society and is its district secretary for New Jersey. His father is vice-president of Colonial Life.



C. F. Nettleship, Jr.

## Swinney Heads Pacific Mutual General Agents

Lem C. Swinney of Dallas was elected president of the Pacific Mutual General Agents Association at the annual gathering at St. Louis. Walter Albachten of Detroit was elected vice-president and Hazen Exeter of Salt Lake City was elected secretary. Kenneth Cassidy of San Francisco was elected chairman of the executive committee, which in addition to the officers includes C. C. Day, Oklahoma City; Joe Gantz, Cincinnati; Wes Farrell, San Antonio; Emory Jenks, Atlanta, and Jul Baumann, Houston.

More than 100 Pacific Mutual representatives attended the banquet at which President A. N. Kemp and Vice-president D. C. MacEwen spoke. Others from the home office were: Jens Smith, manager of agencies; Floyd Forker, manager of sales promotion; Malcolm White, manager of field training, and F. R. Kerman, manager of publicity.

## Set Insurance Accountants' Meet

J. L. Batchler, controller of the Kansas City Life and president of the Insurance Accounting & Statistical Association, announces that the annual convention will be held April 15-16 in Kansas City.

## Pilot Offers Unusual Benefits

The Pilot Life offers the public a liberal group of policies. In addition to standard contracts, it provides protection for women, an unusually complete line of Juvenile policies, and a special Term to 65 contract. Also featured in Pilot policies are liberal settlement options, which are at the present time considerably more attractive than those offered by the average company.

The Pilot has, during its entire history, constantly improved its relative position in the insurance fraternity with reference to benefits offered to policyholders. It is our purpose to continue to offer the lowest net cost protection and the most liberal service consistent with sound investment practice and conservative management.



# PILOT LIFE INSURANCE COMPANY

Emry C. Green, President

Greensboro, North Carolina



## C. L. U.

## Fischer Gives Address to Pittsburgh Chapter

"The success of the life man, more than any other professional man, is in direct proportion to his ability to deal with people," said Vice-president C. O. Fischer of the Massachusetts Mutual in addressing the Pittsburgh C. L. U. chapter.

"People are the underwriter's stock in trade," said Mr. Fischer, "and he cannot shut himself away from them and expect to be successful. In dealing with people he must practice tolerance, patience, open-mindedness, cooperation, friendliness, and sincerity."

Emphasizing the important role of the life agent as the instigator and motivator, he said:

"Life insurance must go into the budget along with groceries, rent and clothing, but men do not put it into the budget until the idea is sold to them. The job of selling life insurance consists of having a real knowledge of the services of life insurance and utilizing that knowledge."

The speaker said that today Pittsburgh ranks tenth in population of United States cities and sixth in the percentage of national buying power, the effective buying income per family in Pittsburgh being 20 percent above the average for the United States.

Mr. Fischer addressed the Pittsburgh Association of General Agents & Managers Wednesday, discussing "Careers in

Leadership." On Thursday, he attended a luncheon celebrating the first anniversary of C. L. Bitzer as general agent at Harrisburg.

## Hear Social Security Board Man

The Detroit C. L. U. at a dinner meeting Thursday, heard W. R. Williamson, actuarial consultant of the Social Security Board at Washington. W. H. McCoy, New England Mutual, is the 1939-40 president of the chapter, and B. E. Wyatt, Massachusetts Mutual, educational committee chairman, secured Mr. Williamson for this occasion.

## New Chapter in St. Paul

Chartered life underwriters of St. Paul have formed a C. L. U. chapter with Dean H. Field, president; Walter F. Stone, vice-president, and Alan D. Harmer, secretary-treasurer.

## Chicago Chapter's Fall Frolic

The Chicago C. L. U. chapter will hold its annual fall frolic the evening of Oct. 19 at the La Salle Hotel. Program chairman is Harry Walter, Penn Mutual. Several entertainment novelties are planned.

Heard from briefly during the evening will be B. H. Groves, Travelers, president of the Chicago chapter; H. T. Wright, Equitable Society, Chicago, vice-president National Association of Life Underwriters; L. Mortimer Buckley, Provident Mutual, president Chicago association, and W. M. Houze, John Hancock, president of the general agents and managers division of the Chicago association.

## Lapses Low on Bank Loan Risks

## American Bankers Association Hears Talk on Policies Used as Collateral

R. C. Tait, who addressed the annual meeting of the Life Office Management Association recently on life insurance used as collateral, made a talk on the same subject before a round table conference at the American Bankers Association convention at Seattle last week. Mr. Tait is assistant trust officer of the Genesee Valley Trust Company at Rochester, N. Y.

Mr. Tait contended that lapsation of life policies that are assigned to banks as collateral on loans is negligible and that accordingly life companies should be willing to see their policies go over to the banks. He declared that in one eastern company not more than 26 percent of the loan interest regularly billed on policy loans is paid. The remainder is added to principal. This experience contrasts with that of the banks, he declared. In Rochester both premiums and loan interest are paid to banks without increase in loan in about 95 percent of the cases. Interest is paid without increase in loan in about 98 percent and about 50 percent of the loans are being reduced regularly by repayments of principal.

## Increase During Depression

The big increase in use of life policies for credit purposes arrived with the depression, the speaker declared. He attributed this to the fact that many people found it necessary to pledge their insurance to protect shrinkage in collateral against already existing loans; interest rates fell and the insured found he could borrow at his bank against cash values at a lower rate of interest than charged by the insurer; it was convenient to deal with a local banking institution and life insurance provided an easy and speedy means of credit; many people came to believe borrowing against life insurance reserves was essentially a banking, and not an insurance company function.

Mr. Tait urged the bankers country-wide to use the proposed standard form of assignment of life insurance as collateral that was worked out by the bank management committee of the American Bankers Association in collaboration with the Association of Life Insurance Counsel.

## Much Interest in Experiment in Collective Recruiting

(CONTINUED FROM PAGE 4)

Equitable of Iowa, chairman of testing committee.

Mr. Case received bachelor's and master's degrees from the University of Chicago in education and social sciences. Before that he had been in personnel work. He was associated with Ball Brothers Glass Manufacturing Company of Muncie, Ind., four years and helped to organize the personnel department of Charles A. Stevens & Brothers, Chicago. He spent three years on the faculty of Lombard College as professor and student advisor.

For seven years he was connected with the St. Louis Council of the Boy Scouts, first as field executive later as assistant scout executive and director of senior scouting.

Mr. Case decided to spend some time in the insurance field as an agent in order to know the agent's problems. He was associated with the ordinary department of Prudential in St. Louis for a year, leading the agency in weekly production most of the time. Later he spent a year with Mutual Benefit Life, taking the analograph training course at the home office, and spent the following year as an agent.

## Little Active Use of Social Security Changes in Selling

Life men appear to be slow to put the revised social security act provisions to practical use. Although there has been considerable discussion of the new provisions there is little evidence that talk has been supplemented by sales activity. As the amendments do not become effective until Jan. 1 it is difficult to do much programming without a special provision to take care of the interim.

Although agents were quick to respond to sales opportunities created by modification of options, rate changes and disability provisions in the past, they evidently feel there is no need to hurry to cash in on the social security changes.

It is anticipated that eventually there will be a decided increase in programming as a result of the new social security benefits for children and women. So far there has been little demand for special settlement options to supplement the social security provisions.

Because of the complications involved in applying the new social security terms and definitions, attention is being given the devising of simple supplementary insurance programs. Although the use of settlement options is widely discussed and advocated the average agent still shies away from programming. An executive of one large company which has done as much if not more than most companies in programming, reports that only 15 to 20 percent of his agents are actively using settlement options in sales work.

## Coronary Occlusion Victim Not Necessarily an Invalid

Declaring that if a victim of coronary occlusion can recover from the first attack he should be able to live many happy and useful years, Dr. J. E. Hunsinger, assistant medical director Continental Assurance, told the Chicago Claim Association that far too often the attending physician insists upon a patient's retirement, whereas with the proper understanding between the employer, employee and the plant physician, the man could be working and earning. He said:

"Given a chance, the heart will come back. Too frequently the victim of coronary occlusion confines himself to retirement unnecessarily. Many people are able and do return to their occupations after suffering such an attack."

In years gone by absolute rest, even bed confinement, was stressed as very important in the treatment of all heart disease, coronary occlusions included. Many medical men drew the conclusion that coronary occlusion spelled total and permanent disability, and apparently many of them still hold to that thought.

"I do not mean to infer that rest and quiet are unimportant factors in the treatment of coronary disease," Dr. Hunsinger said. "They are especially necessary when the condition is in the acute stage. However, once the acute stage has subsided, and this today can be confirmed by serial electrocardiograms, a man should not be consigned to invalidity."

He defined coronary occlusion as the plugging of one of the coronary arteries of the heart or any branch. It may be complete or partial. The plug may be a thrombus, which is a slow forming clot, or an embolus, a solid mass usually originating within the heart itself. It is most frequently encountered in males between ages 50 and 70. However, occurrence in persons in the 40s is not infrequent and many cases are on record among those in the 30s.

About 40 percent of the people who develop coronary occlusion die suddenly or within a few hours of the onset of the first occlusion, Dr. Hunsinger said. Those who recover may live for several years in a moderate degree of comfort.

*"Our Supplemental Agreement Service has made the purpose of life insurance secure"*

STATEMENT BY A VICE PRESIDENT OF THE COMPANY



House 4, York  
Pennsylvania  
June 11, 1938

The Mutual Benefit Life Insurance Company  
Newark, New Jersey

Dear Sirs:

When my husband died eight years ago, it was a question in my mind whether I could keep my family of four children together, but the fact that I was receiving life insurance at the time caused me to try to keep the family intact.

We have also kept our home, and even made great improvements in it, until now we have the modern conveniences to help make life easier. Had it not been for the insurance our home would have been sold. Because of the income benefits I received from your company I have been able to give my children the things they needed and also the things they desired. We have always had a car to go wherever we wanted. We could live healthily with proper food and wise medical care, though it was seldom needed. I was able to give the children books and music for their cultural enjoyment.

This spring one of my children graduated from college and will go on to medical school next year. Another has completed her first year of college, and still another will begin college in the fall. It is thus through life insurance benefits that I have been able to keep my children and also to give them what they needed to fit them for life.

I cannot thank you enough for all you have made possible.

Most gratefully yours,

Mary M. D. K.

FOUNDED IN 1845  
The Mutual Benefit  
LIFE INSURANCE COMPANY  
NEWARK, NEW JERSEY

From an  
Unsolicited  
Letter

## Record Shows SEC Subtly Hostile to State Supervision

(CONTINUED FROM PAGE 1)

amination of these various institutions about which you have testified, it would seem to me that you would have some conclusion as to whether the laws under which they are organized afford reasonable protection to the policyholders."

### Deflates Davenport's Opinion

At this point Gerhard Gesell, the SEC's special counsel, who was questioning Dr. Davenport, jumped in to remind the witness that his studies had been entirely statistical, which Dr. Davenport readily admitted.

"You have made no inquiry into the working of any individual companies?" Gesell asked.

"No."

"And the opinion you have expressed is simply your personal opinion, which you have derived from a reading of the literature?"

"And from a study of the assets of these institutions."

"But it has not been a particular objective of your study to examine the activities of insurance companies as they relate to regulations by state authorities?"

"That is perfectly true."

During the testimony of Chairman F. H. Ecker of the Metropolitan Life, Gesell tried to get Mr. Ecker to agree that "it is in the franchise right of the policyholder that the whole safety of the policyholder in a mutual company rests." Mr. Ecker was not taken in by this effort to get him to assign, by implication, to state supervision a negligible role in the protection of policyholders.

### State Authority Important

"That is true," he replied, "except that I do feel you overlook the fact that the policyholder's right to vote is made available by reason of the supervision of the state authorities whose business it is, and whose carefulness in conducting their work is such that if there were any abuses that would bring it out."

Less definite in their implications are numerous references to the fact that various practices which the SEC was eying apparently somewhat critically were all in conformity with state laws and regulations. Whether the reiteration that this or that complied with the law was solely to preclude the impression that anything illegal was being done or whether the primary aim was to make it clear that state laws had been unable to prevent the sort of thing the SEC regarded as questionable cannot be satisfactorily determined from the record.

## Face Important Task on Social Security

(CONTINUED FROM PAGE 1)

should the system be criticized because it does not attempt to do exact justice as between various classes of contributors. The primary aim of social security, he pointed out, is to take care of widows, orphans, and other dependents and the new setup is designed to do this on a more grandiose scale than has ever been attempted.

A point that life insurance agents might do well to remember, he said, is that anybody insured under social security may go or write to social security headquarters and ask for a statement of his account and it will be given him. Thus he can tell what his accumulated wage credits are and by dividing by the number of years he has been under social security the insured can determine what his benefits would be under the act.

Mr. Hirst predicted that the life insurance business will continue to account for

a very substantial part of the security on which citizens will rely, and recalled that Congress in the report that accompanied the act stated that "with limited funds available for this type of insurance protection (meaning social security benefits), individual savings or other resources must continue to be the chief reliance for security."

## Connecticut Mutual Names Becker Jacksonville Head

Connecticut Mutual Life has appointed E. Jay Becker, for the last five years associate general agent of John Hancock Mutual in Florida, as general agent in Jacksonville. Connecticut Mutual has been operating for some time in Florida through its Atlanta agency and is now beginning more intensive development of the northern half of the state.

Mr. Becker, despite managerial duties, maintained a personal production level of \$250,000 a year with John Hancock. He is vice-president of the Florida Life Underwriters Association and was formerly vice-president of the Jacksonville association.

Read *The Industrial Salesman*, \$1.25 a year. 420 E. Fourth Street, Cincinnati.

## William Allen White to Open National Message

NEW YORK—The 1939 Annual Message of Life Insurance, which will be observed throughout the nation during the week of Oct. 23, will be launched at a large luncheon meeting in New York with William Allen White, famed editor of the Emporia, Kan. "Gazette," widely known author and man of public affairs, delivering the keynote address, "Thrift and Democracy."

Mr. White will address a meeting of the New York City Life Underwriters Association at the Hotel Pennsylvania. More than 1,000 are expected to attend. His speech has been scheduled to be broadcast over NBC from 1:15 to 1:30 p. m. eastern standard time.

Many persons prominent in public life and insurance have been invited to attend the luncheon, including Governor Lehman, Mayor LaGuardia, and Secretary of Commerce Hopkins.

The New York association also has scheduled a showing of the motion picture, "Yours truly, Ed Graham."

### ZIMMERMAN BREAKFAST SPEAKER

Observance in Chicago of Annual Message of Life Insurance Week will start at a breakfast in Hotel La Salle,

Oct. 25, at which C. J. Zimmerman, newly elected president National Association of Life Underwriters, general agent Connecticut Mutual Life, Chicago, will speak. The affair is being sponsored by the Chicago Association of Life Underwriters and L. M. Buckley, Provident Mutual, association president, will preside. J. C. Caperton, State Mutual, is general chairman for the week, L. A. Phillips, Metropolitan, chairman of the breakfast arrangements, Dave Fairfield, Connecticut General, reception chairman, and W. S. Fuller, Prudential, attendance chairman.

One of the best known figures in the Canadian life insurance and investment field was removed by the death of John Appleton at his home in Toronto in his 73rd year. He was a past secretary-treasurer of the Canadian Life Insurance Officers Association and also past secretary-treasurer of the Dominion Mortgage & Investment Association. He retired from these offices in 1936. As secretary of these two associations Mr. Appleton was the confidant of insurance and institutional officials through a generation of the most critical and perhaps the most interesting period in their history. He was born at Marton, Yorkshire, England, in 1867.

# FOUR HUNDRED MILLION DOLLARS LIFE INSURANCE IN FORCE . . . !

We announce with much pleasure and satisfaction that the Jefferson Standard has \$400,000,000 life insurance in force.

This important achievement takes its place in Jefferson Standard history as another in the long line of distinguished accomplishments.

We express our heartiest thanks to our field representatives who have contributed so loyally, and so splendidly to the progress of our great Company.

**JEFFERSON STANDARD**  
LIFE INSURANCE COMPANY  
GREENSBORO, NORTH CAROLINA



Julian Price,  
President

## EDITORIAL COMMENT

### *Stewart Anderson's Advertising Plan*

STEWART ANDERSON, advertising and publicity manager at the head office of the PENN MUTUAL LIFE, who died last week, introduced into trade newspaper advertising a singularly personal, intimate note. Mr. ANDERSON was essentially a man of sentiment. He was mellow in his emotional life, was warm-hearted and cordial. He believed in companies advertising in trade insurance newspapers for certain very well defined reasons. He declared advertising should create good will, not alone for a company's own agents but for agents of all other companies and insurance people in general. He wanted the advertisements to create interest. He desired to have them read. He was anxious for PENN MUTUAL advertisements to be watched for and perused. He saw that there was a sharp line of demarcation between successful trade paper advertising copy and that for the secular papers. He drew a boundary between what the PENN MUTUAL should say to its own agents and what it should say to the fraternity at large.

Therefore, Mr. ANDERSON created what he termed individualized or personal advertising. His copy was diversified but it always carried a personal note. He extended through this medium greetings to other companies and organizations. He took advantage of current activities as the background for some of his advertising. If there was something particular in his

own agency organization and official personnel that required personal treatment he used it. However, he kept away from distinctive PENN MUTUAL advertising that centered the copy in the company itself. He bought prominent space in the papers. He realized the effectiveness of position of the advertisement in the publication.

He departed very far from the conventional advertising of insurance companies as for instance, when he used his space to commemorate the virtues of the late R. R. DEARDEN, president of the "U. S. Review," who died, and later the president of THE NATIONAL UNDERWRITER, E. J. WOHLGEMUTH when he crossed the divide.

In connection with his advertising, Mr. ANDERSON maintained very close relationships with the papers, knowing exactly when they went to press, at what hour, what could be done after the forms went to the press room in case any big news broke. He had a fine appreciation of the needs of insurance papers. He never imposed on the publications. Whatever he had to offer had actual news or information value. If he desired a cut used in the news columns he provided the cut.

We who came in contact with "Bishop" ANDERSON will miss him greatly. His life was a singularly useful one and he leaves with all of us who came within the radius of his conversation and influence a very fragrant memory.

### *Developing a Financial Seminar*

THE AMERICAN LIFE CONVENTION, and especially its FINANCIAL SECTION, deserve credit for bringing to completion the movement to establish a financial seminar at INDIANA UNIVERSITY where a short course will be provided comprising two weeks, in which financial officers of life companies or those particularly interested in financial problems can receive instructions. The first seminar will take place in August.

ALEX CUNNINGHAM, vice-president and treasurer of the WESTERN LIFE of Montana, can be given credit for doing the greater part of the promotional work of this enterprise, which is new. There are numerous schools for agents. The financial department of a company did not loom

so extensively in the minds of the policyholders or public in general until the financial cataclysm. In fact, financial departments moved along in orderly course, almost in monotonous rhythm. However, the financial departments in recent years have given the companies many anxious moments.

It was felt by company executives that there should be trained along scientific lines men who should know much more about the technique of finance and investments. The FINANCIAL SECTION of the AMERICAN LIFE CONVENTION is one of its most potent divisions. It has attracted much attention and has been a creative force. This is one of its major accomplishments.

### *A Document Worth Studying*

THE PRINTED record of the first series of hearings on life insurance before the TEMPORARY NATIONAL ECONOMIC COMMITTEE last February is now available at trifling cost from the government printing office and it can be read with profit by

every person in the insurance business. In view of the opinions which have been reached by men prominent in the life insurance business as to the objectives of the committee and of the SECURITIES & EXCHANGE COMMISSION, which has presented

the testimony and will submit its final report to the TNEC, it is particularly important for all insurance men to familiarize themselves with the record on which the SEC's report will be based.

A study of the record shows, for example, that the SEC's subtle but persistent disparaging of the ability of state insurance departments to cope with insurance supervision problems began with the first witness who was called, Prof. D. H. DAVENPORT of Harvard, the SEC's statistical expert. Dr. DAVENPORT, who was about to agree with Senator KING's observation that the insurance departments had done a pretty good job of regulating the companies and keeping out the fly-by-nights, was pulled up short by GERMARD GESEL, the SEC's special counsel, who reminded Dr. DAVENPORT in polite language that on that particular point he didn't know what he was talking about.

If all insurance men could have attended all the hearings the insurance business would be in a far better position to take

action in regard to whatever proposals may come out of the TNEC investigation. Not only would they be better informed but they would be aroused to action. Next best to observing the proceedings in person is a study of the daily and trade press accounts and the verbatim proceedings. The proceedings are helpful even to those who have actually attended the hearings, for it is easy to miss apparently minor points which may turn out later to be important foundation stones in the SEC's case. A study of the record also permits a more deliberate study of what the SEC may have in its mind, also the attitude of the various members of the monopoly committee.

While hearings were only on life insurance, only lack of money prevents the hearings from putting the fire, casualty and surety businesses on the pan also. The technique and objectives of the SEC and TNEC are of equal interest to all branches of insurance. If the government is out to control life insurance it will hardly stop with that phase of the insurance business.

## PERSONAL SIDE OF THE BUSINESS

W. H. INDOE, 65, of the State Mutual Life Omaha office was feted early this month in celebration of his 40th anniversary with the company. An additional six years of experience in the life insurance business before his State Mutual connection makes him one of the senior life underwriters in the country. He was born in Granger, O. At 20, needing money for a college career, he associated as salesman with a book publishing company, and four years later was able to enter Baldwin University at Berea, O. He went into the insurance business on graduation. State Mutual has had an agency in Omaha since 1892, and Mr. INDOE became general agent there in 1905, remaining in that capacity until 1936, when he decided to give more time to his personal business, which he had built to an exceedingly high volume during 31 years.

In recognition of his 40th anniversary as general agent of the Massachusetts Mutual Life, Frank H. Lewis of Newark was tendered a luncheon by his agency force. He started in the renewal department at the home office in 1897. He was appointed general agent in Jersey City in 1899 and went to Newark in 1916.

Oct. 5 marked the 25th anniversary of President F. B. WILDE's connection with the Connecticut General. Business associates took the occasion to send him many flowers and congratulatory messages. A meeting of all employees was held in the auditorium and V. K. Pittfield, Connecticut General Club president, presented Mr. Wilde an engraved carafe set. T. W. Russell, a director, spoke briefly on his pleasant association with Mr. Wilde the past 25 years.

Both the president and chairman of Connecticut General are observing significant anniversaries almost coincidentally. This is the 50th anniversary of the connection of R. W. Huntington, chairman of the board, with Connecticut General as well as the 25th anniversary of Mr. Wilde's connection. Both Mr.

Huntington and Mr. Wilde started with Connecticut General as office boys, Mr. Huntington in 1889, when there were 10 home office employees, insurance in force was less than \$10,000,000 and new insurance written during the year was \$1,503,111, and Mr. Wilde, in 1914, when the year's issue was more than \$20,000,000 and the insurance in force was more than \$84,000,000.

Stanley G. Dickinson, sales consultant of Hartford, is bereaved by the death of his mother in Wilbraham, Mass. Two daughters, Misses Ruth and Helen Dickinson, are at the home office of Massachusetts Mutual.

In a recent issue it was stated that W. J. Olive of Holland, Mich., general agent of the Franklin Life, who had completed 15 years membership in the App-A-Week club, had been with the company 15 years. He has been with the Franklin Life 35 years.

J. F. Branton, a director of Central Life of Des Moines, recently celebrated his 80th birthday. He started in life insurance at Willmar, Minn., in 1900 and joined the Central Life in 1905. He retired in 1929 at the age of 70, after 24 years of carrying the rate book for Central Life. He was elected a director in 1927 and is still active in that capacity.

Robert L. MacLellan and his bride are now honeymooning in Hawaii and expect to return to Chattanooga the latter part of this month. Mr. MacLellan is vice-president in charge of agencies of the Provident Life & Accident. He was married to the former Miss Kathrina Howze of Duluth.

Honors come in pairs to W. E. Jones, chief underwriter Provident Life & Accident. His pacing of the corridor in a Chattanooga hospital was interrupted by a messenger boy who bore a telegram notifying him of his election as vice-president of the Institute of Home Office Underwriters in session at Kan-

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posals may position. Not informed but Next best person is press ac- sas City. Shortly thereafter he was again interrupted by a nurse who informed him that he had been "elected father" of a fine baby boy. Due to the expected arrival Mr. Jones had been unable to attend the convention in Kansas City.

A ten-year service pin was presented Dr. Charles R. Henry, medical director of the Provident Life & Accident, by President Robert L. MacLellan.

Col. Ralph H. Durkee, San Antonio, Tex., Equitable Society district manager, has received a certificate of re-appointment as civilian aid to Secretary of War Woodring. Colonel Durkee has served in this capacity 16 years. Serving without compensation, his work is chiefly concerned with the citizen military training camps.

Howard Goodwin, vice-president and C. T. Steven, advertising manager, of the Phoenix Mutual Life, are on an agency trip to the Pacific Coast.

## DEATHS

F. A. Schlick, 56, former Portland, Ore. local agent, died at his home there. He established his agency in 1921. About three years ago he joined the New York Life.

J. E. Richter, 61, district agent Northwestern Mutual Life, died at his home in Council Bluffs, Ia.

He had been with Northwestern Mutual Life 26 years, the last 13 years at Council Bluffs. Previously he had been district agent at Creston, Ia. He retired as district agent several years ago because of poor health but continued as a special agent.

## Great-West Manager Notes Some Benefits Derived from War

The world situation will bring many more incentives to people to insure their lives and maintain their policies in force, H. W. Manning, general manager Great-West Life, stated in a message to the field force.

While increased mortality may be expected among Canadian policyholders due to the war, this will be offset by war risk exclusion due to the war clause, or by extra premiums paid for full coverage. The war, while horrible to contemplate, Mr. Manning said, may be expected to bring increased interest rates, and also to reduce the evil of lapsation. Policyholders in the U. S. department will not be affected directly by any war measures.

"While we deprecate war and the horrors of war and the extent to which a dislocation of business occurs, we must remember that life insurance has always shown a remarkable facility for adapting itself to every situation," Mr. Manning said. "Then again, let us keep in mind that all the various phases of life insurance are so spread out that, in the aggregate, there are always compensating factors."

"I think one can quite well foresee an increase in interest rates in Canada, and you know the favorable effect that is going to have upon our business when interest yield plays such an important part."

### Less Lapse and Surrender

"There is, undoubtedly, going to be a greater inclination to hold on to life insurance policies, with the result that the undertow of lapsation and surrender should be materially reduced."

"Regarding exchange, there is little need for comment as our American policies are made payable in American funds. We have, as you know, bonds and debentures on deposit in the United States to an amount sufficient to cover all our liabilities there. In addition to the deposit, we have substantial holdings in American stocks and in mortgages in the United States."

## NEWS OF THE COMPANIES

### Union Central's Booklet Gives Some Salient Facts

An attractive booklet, "Some Interesting Facts About the Union Central Life," has been prepared for distribution to the agency force. A map of the United States shows the nationwide service rendered by the company; a chart shows the growth from \$1,500,000 assets in 1879 to \$374,000,000 assets in 1939; a table shows the company's investments by states; another table shows the diversification of assets; flexibility of investment portfolio the last five years is shown in a colored chart for each year; policyholder and beneficiary payments of \$811,628,344 are featured; a page shows the modern training facilities for agents; service to policyholders is indicated by the free health test offered annually; 76 percent of death claims paid within 48 hours of proofs of death and 92 percent paid within 10 days; 90 percent of policy loans made in 24 hours and 98 percent in 48 hours; specialized service indicated by the average policy of \$4,475 compared to \$2,155 bought in 79 largest companies; rating authorities top rating; a list of 400 prominent death claims.

### Doesn't Have to Repurchase Stock

LINCOLN, NEB.—The Western Union Life was relieved in district court of any liability to repurchase its stock sold by W. H. Jurgensen, former president, now in prison for embezzlement. The claim was made by Henry Albers that when he bought \$2,500 of company stock it was on Jurgensen's representation that it would be repurchased at any time. The court held that an insurance company is forbidden by law to contract to purchase or to repurchase its own stock, that it was evident that the sale was for the purpose of deceiving the insurance department so that a license to do business might be granted, and that Albers was presumed in law to know he could not enter into such a deal. He was given judgment against Jurgensen only.

### Guardian of Dallas Absorbs Time

DALLAS—At an agency meeting in the home office, the Guardian Life of Dallas welcomed into its organization the officers and agency force of the Time Life of Dallas, which has been reinsured 100 percent by the Guardian Life. Approximately \$1,000,000 of ordinary and industrial life insurance held

by the Time Life was included in the transaction, Elmer Adams, vice-president and general manager of the Guardian Life, announced, bringing the company's total insurance in force to more than \$4,000,000.

G. S. Weever, president Time Life, has become a stockholder in the Guardian Life and is a vice-president and director. The Guardian Life has taken over the Time Life agency organization intact and will maintain the present

setup, with R. W. Carruth, formerly manager of the Time Life home office agency, continuing as agency manager. Mr. Adams also reported an increase of more than \$20,000 in assets of the Guardian Life for the first nine months of 1939 and an increase in life insurance in force of \$1,461,000.

### Goes to Penn Mutual Home Office

C. C. Cooper, Jr., supervisor of the James E. Rutherford agency of the Penn Mutual Life in Des Moines, has been named assistant to the manager of training at the home office. He has been in life insurance work in



## Why a "Modified" Term?

Because there are times when even the high protection per premium dollar afforded by Term insurance is inadequate. Continental American's "Improved 20 Year Term" stands at the extreme end of the EXTRA PROTECTION scale. Rates for the first 5 years are appreciably less than for the next 15 (26% less at Age 35 for example), and the policy offers an unusual amount of flexibility. When circumstances point to high protection needs and low available income, Continental American men find this form a handy tool.

### Continental American LIFE INSURANCE COMPANY

Wilmington, Delaware

W. M. Rothaermel, Vice President

# THE MANUFACTURERS A Vital Force for Human Betterment

The large sums distributed each year to beneficiaries and to living policyholders mean financial independence for countless individuals. They play an indispensable part in the nation's economy.

In its 52 years of existence, the Manufacturers Life has distributed more than 214 million dollars.

INSURANCE AND DEFERRED ANNUITIES IN FORCE

572 MILLION DOLLARS

ASSETS EXCEED 167 MILLION DOLLARS

# LIFE

INSURANCE COMPANY

HEAD OFFICE

TORONTO, CANADA

Established 1887

Des Moines for five years and is vice-president of the Des Moines Association of Life Underwriters.

Three new trustees have been elected by Minnesota Mutual Life: F. J. Gavin, newly-elected president of the Great Northern railway; F. K. Weyerhaeuser,

president of the Weyerhaeuser Sales Co., and W. L. McKnight, president Minnesota Mining & Manufacturing Co. All fill vacancies.

A certificate of membership in the National Fifty Years in Business Club has been received by the Provident Life & Accident.

## LIFE AGENCY CHANGES

### Vesser Heads New Midwest Division

Effective Oct. 16, the territory formerly covered by the Kansas City branch of the Reliance Life will be consolidated with the St. Louis office.

Under the new plan, all of Missouri, half of Iowa and three-fourths of Illinois will be known as the Midwestern division, with headquarters in St. Louis. A branch office will be continued in Kansas City for the collection of part of the premiums.

Frank Vesser, who has been St. Louis manager, has been appointed manager of the entire territory under the new organization setup, with Adam Rosenthal, production manager of the St. Louis office, in charge of the St. Louis metropolitan area. J. L. Russell will be district manager in the Kansas City territory. Mr. Vesser is a former president of the St. Louis Life Underwriters Association and was very active in arranging for the recent meeting of the National association in St. Louis.

With about \$30,000,000 of insurance in force, the new Midwestern Division will be the fourth largest in the entire company. There are 50 representatives and employees in that territory.

### Connecticut General's Buffalo Appointments

The Connecticut General has appointed R. T. Odiorne as manager of its Buffalo office and W. B. Megear, Jr., as assistant manager. Mr. Odiorne is a native of Pennsylvania. While still a student at the University of Pennsylvania, he joined the company in Phila-



FRANK VESSER

delphia in 1927. In addition to personal sales activities he has assisted in recruiting and training. Since 1936 he has been district manager in Harrisburg.

Mr. Megear was born in Delaware and graduated from Cornell. Subsequent business experience included three years as manager of the public relations department of a bank where he solicited trust business, which in many cases involved life insurance trusts. Since 1934 he has been with the Philadelphia office as personal producer.

F. T. Jordan has been the Buffalo manager.

### Place Is Associate General Agent in Quinby Agency

The Columbian National Life has appointed R. L. Place associate general agent of the Thayer Quinby agency in Boston. He graduated from Harvard in 1920 and entered life insurance in Boston with the Aetna Life in 1922. In 1930 he became Aetna general agent in Boston. Since 1936 he has been associated with the Boston office of the Connecticut General, first as district group manager and later manager of the brokerage department.

He has written several books and pamphlets, including one on "Selling the Salary Insurance Plan." He served as secretary of the Boston General Agents & Managers Association and on the executive committee of the Boston Life Underwriters Association.

### Hitt with Mutual Trust in Southern Ohio

The Mutual Trust Life announces the appointment of Harold R. Hitt of Chillicothe, O., as general agent in charge of 12 counties in southern Ohio. He comes well qualified, having served as personal producer for three years and district agent for 12 years. Mr. Hitt was district agent for the Northwestern Mutual and served as president of its

District Agents Association for a year. For the past 15 years he has averaged over \$200,000 per year in personal production and his average policy has been slightly more than \$4,000.

### Hiner Named Idaho Manager

O. Lyle Hiner, Salt Lake City, has been appointed Idaho manager for the United Benefit Life and Mutual Benefit Health & Accident and has gone to Pocatello, Idaho, to establish headquarters. Mr. Hiner has been co-manager of Utah for the same companies the past six years and with F. Edward Walker operated the Walker-Hiner agency. Mr. Hiner is serving this year as first vice-president of the Salt Lake Association of Life Underwriters. He is also a former president of the Salt Lake Accident & Health Club and former secretary of the Utah Life Managers Association. He received his C.L.U. designation in 1938. He moved to Salt Lake City seven years ago from Oklahoma City.

### Rice Is Assistant Manager

KANSAS CITY—Ralph Rice, Jr., has been named an assistant manager of the Prudential ordinary agency in Kansas City under Howard A. Austin. Mr. Rice has been with the agency since April, 1937, producing at the rate of over half a million each year. Formerly he was for several years with the National Fidelity Life, part of the time as vice-president in charge of agencies. Mr. Rice is president of the Kansas City C. L. U. chapter.

Jack Lawrence, another assistant manager, will continue with his unit. Mr. Rice will develop a new unit.

### Southland Life Appointments

Ross Priddy, home office agency manager of the Southland Life, has been given supervision also over Collin, Ellis, Kaufman and Rockwall counties in Texas.

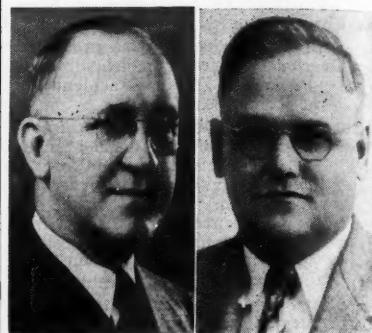
A new district composed of 26 counties in east Texas has been established and D. G. Liggett placed in charge, with headquarters at Tyler. R. M. DeWitt has been named agency manager of 26 counties in south Texas, with headquarters at Beaumont.

Carl W. Neisel, formerly of the San Antonio office, has been named agency manager for Houston and Harris county.

### Robt. L. Bowen Now Special Agent

Robert L. Bowen, former Ohio superintendent, has been appointed by Northwestern Mutual as special agent in Columbus. Since retiring from his state position, Mr. Bowen has been dividing his time between Columbus

### American Mutual Names Two New General Agents



C. C. HAMMOND D. C. MACDONALD

Clarence C. Hammond, who has been active in life insurance in Wichita, Kan. since 1921, has been appointed general agent there by the American Mutual Life. He has previously served the Central States Life and North American Life as general agent, and during his 18 years of experience has built an unusually large clientele. He has been active in the Wichita Life Underwriters Association, serving as secretary for several years.

D. C. Macdonald has been appointed general agent at Grand Forks, N. D. In his first month under contract he led the American Mutual field force in production. He has been in life insurance in North Dakota since 1926, representing the Equitable Society and Sun Life of Canada. He is a consistent and successful personal producer and reached a peak of \$600,000 of paid business in one year.

and Cleveland. He has been representing Northwestern Mutual in Cleveland and in Columbus has been serving as receiver of the old A. I. U.

### Crisp Western Montana Manager

Clair Crisp has been appointed manager of western Montana for California-Western States Life. He formerly was with Travelers, serving as field supervisor in Denver, and for many years as general agent in Spokane.

### McDonald to Chattanooga

The Chattanooga ordinary agency of the Prudential has been made a detached office and John M. McDonald, Jr., has been placed in charge as assistant manager. Mr. McDonald is from Knoxville where he was "roving" assistant manager. He has been with Prudential since 1932.

### Kennedy Goes to Peoria

J. E. K. Kennedy, with Sun Life of Canada at its home office in Montreal and more recently in the Chicago branch, has become assistant to W. Lee Mullen, Peoria, Ill., manager. Mr. Kennedy has been with the company 12 years.

Norman E. Gatsch, former Peoria assistant manager, has been promoted to branch manager at Columbus.

### Dowell Pittsburgh Supervisor

Dudley Dowell, agency director New York Life, Seattle, has been transferred to the Pittsburgh office as supervisor, effective Nov. 1.

### Aldrich Oklahoma City Manager

Kenneth L. Aldrich is new Oklahoma City manager of the Guardian Life, succeeding Harry Thomas. He was formerly supervisor at Indianapolis.

K. C. Fargo, for 10 years cashier of the Columbus, O., branch of the Lincoln National Life, has been appointed manager of a newly created brokerage department by H. E. Campbell, general

FIRST POLICY ISSUED 1871  
**SUN LIFE**  
 ASSURANCE COMPANY OF CANADA  
 HEAD OFFICE  
 MONTREAL  
 SIXTY EIGHT YEARS OF PUBLIC SERVICE

agent. Mr. Fargo is president Columbus Life Agency Cashiers Association and one of the nine C. L. U.'s in the city.

Charles W. Hanson, for five years with the head office of the Alliance Life at Peoria, has been transferred to Joliet, Ill., as general agent. His offices are at 209 Chalstrom building.

Harry Randall has been appointed general agent at Raleigh, N. C., by the Minnesota Mutual Life.

W. M. Dow has been appointed field assistant of the Travelers' Seattle branch office.

L. C. Berger, who has been with the Houston, Tex., agency of the Midland National Life, has been appointed San Antonio general agent.

The Ohio State Life appointed Earl J. Christmas general agent at Adrian, Mich. He was one of the leading producers of the American Life.

A. E. Mallory has been named district agent at Portales, N. M., by the New York Life.

## CHICAGO

### WALSH HONORED; EXCEEDS QUOTA

During September the A. R. Klein agency, Chicago, of the Home Life of New York, staged a campaign in honor of John F. Walsh, resident superintendent of agencies. Mr. Walsh was the honor guest at a luncheon attended by those who qualified during the campaign. The Klein agency exceeded its 1939 quota at the end of the nine month period.

### EQUITABLE SOCIETY GATHERING

The Equitable Society held a meeting for all its agencies in Chicago this week at which Roland D. Hinkle, assistant manager of the Reno agency, discussed social security act revisions. The motion picture, "Yours Truly, Ed Graham," was shown.

### GROUP HEADS MEET OCT. 18

The history of group insurance, with particular attention being paid to recent developments and trends, will be discussed by the Group Supervisors of Chicago at their first fall meeting on Oct. 18, 12:15 p. m., at the La Salle Hotel.

Presiding will be E. S. Tank, Travelers, who heads the group this year.

### HONOR EDWARDS ON 50TH YEAR

The Aetna Life general agency in Chicago conducted a special drive honoring R. S. Edwards, general agent, on his 50th birthday. In a week's special effort, 71 agents produced 119 life applications for \$345,940, 44 accident apps with premiums totaling \$1,190 and three group applications totaling \$1,081,248. For each application a special bond was prepared, green for all production up to the last day and gold for the final day's business. These bonds and letters from home office men and general agents were used to paper Mr. Edwards' office when the total production was presented to him. A steak and bean dinner campaign has been started, to wind up Oct. 31 at a banquet. Team captains are R. C. Shea, leading agent in the September Big 10 and John Vernon, No. 2 agent.

### LAMB MOVING TO LARGER OFFICE

Edmund E. Lamb, Chicago general agent of Columbian National Life, has leased larger, better arranged quarters on the 10th floor in the Board of Trade building and plans to move his office Oct. 27. The new space will be formally open Nov. 1. Mr. Lamb, who is closing his 19th year in life insurance work, started his agency 5½ years ago in the Field building and has had splendid growth in the life and accident departments, developing substantial agency and brokerage business and also maintaining high position as a personal producer.

## LIFE SALES MEETINGS

### New York Life Has \$100,000 Club Meet

About 200 attended the New York Life's joint \$100,000 Club conference at Hot Springs, Ark. Representatives of the Great Plains, Gulf, South Central and Southwestern departments attended. Dick Oliver, inspector of agencies-at-large, St. Louis, presided. He characterized the social security act as the greatest prospecting idea of the day.

W. H. Danforth, president Ralston Purina Company, St. Louis, and director New York Life, gave a stimulating sales demonstration. Max Derryberry, agency director, St. Joseph, Mo., said that there are wide sales possibilities in supplementing the social security benefits and providing complete insurance program for prospects. In discussing the war risk insurance he said that he was prepared to go into the life insurance business in 1917 and that there was so much discouraging talk about the curtailment of sales due to the war that he joined the army instead.

Fred W. Wickett, vice-president, represented the home office. Howard Conley, inspector of agencies, South Central department, Little Rock, welcomed the visitors. He also led a discussion assisted by I. M. McFadden, Memphis; George Bivins, Nashville, and Don Thomas, Shreveport. Erle G. Bewley, Oklahoma City, gave a demonstration assisted by D. T. Morton, Oklahoma; R. L. Daggett, Wichita; Clare Sargent, St. Joseph, and Elliott Buchanan, Pueblo.

Harper Sibley, Rochester, past president Chamber of Commerce of the United States and director of the New York Life, told of what was going on at the home office. Mrs. Sibley also spoke. Others on the program included Paul C. French, agency director, St. Louis; Dan L. Garrett, Ponca City, Okla., agent. Officers of the \$100,000 club were installed as follows:

Great Plains department, chairman, J. P. Grosso, Pueblo; vice-chairman, Wm. W. Yost, Kansas City; Gulf department, chairman, W. R. Jordan, Montgomery; vice-chairman, J. E. Verrett, New Orleans; South Central, chairman, W. E. Manning, Nashville; vice-chairman, C. L. Massey, Little Rock, and Southwestern department, chairman, T. R. Bruce, Missouri; and vice-chairman, D. S. J. Brand, Oklahoma.

### Security Mutual Holds Agents Meet

Sixty agents of the Security Mutual Life of Nebraska attended the annual agency convention at Lincoln. President Byron Stephenson reported that the company had improved its financial position during the year, and that insurance sold and in force had increased.

L. J. Davis, president Nebraska Association of Life Underwriters, discussed the organization's plans for the future. T. R. McPhee, Oklahoma, discussed the future of life insurance in optimistic terms. Most of the sessions were devoted to round table discussions on the problems of field men, with various agents reciting their experiences in the placing of new business. E. A. Frerichs, agency manager, and Vice-President M. A. Hyde presided at the sessions.

Six men qualified for the \$150,000 club. Wayne J. Davies of Omaha was given the president's cup for the largest production, and J. W. Maloney, Omaha, was named secretary. Harold A. Dillman of Lincoln heads the \$100,000 club.

Gold service buttons were awarded for more than five years' service. A barbecue concluded the gathering.

A new association of general agents was formed with Mr. McPhee as president, F. L. Benson, Grand Forks, N. D., vice-president, and Mr. Dillman, secretary.

### Bankers of Iowa Meetings

The Bankers Life of Des Moines will hold a series of agency meetings over the country starting Oct. 16 and running for more than a month.

Home office men will split into two groups and attend all of the meetings. President G. S. Nollen will be joined by W. F. Winterble, director of agencies, in one of the groups. Vice-president W. W. Jaeger and M. E. Lewis, superintendent of agencies, will head the second delegation.

### Launch Drive for Arnold

DETROIT — The annual agency meeting of the Detroit branch of the Northwestern National Life started off its month drive for new business honoring President O. J. Arnold. Manager E. P. Balkema presided over the business session and banquet. Principal speakers were W. R. Jenkins of the home office sales research department

and Edward Lawlor, Cleveland manager.

### Qualify for 1940 Convention

Already 43 agents of the Equitable Life of Iowa have qualified on premiums for the convention at the Edgewater Beach hotel in Chicago in July, 1940. Forty-nine other agents are well ahead of qualification quota on a monthly basis.

### Penn Mutual Rally in Des Moines

More than 100 members of the Davenport, Waterloo, Des Moines and Omaha agencies of the Penn Mutual Life attended a regional meeting in Des Moines.

Vice-president A. E. Patterson and H. E. Wuertenbaecher, Jr., of St. Louis, leading producer in 1938, were speakers.

General Agents Karl E. Madden, Davenport; J. M. Lafin, Omaha, and H. E. Rugg, Waterloo, were in attendance.

### Sales Meeting Held in Fargo

Nearly 40 North Dakota and western Minnesota agents of the Northwestern Mutual Life gathered in Fargo for an instruction meeting. W. R. Chapman, assistant agency director, Robert Hoene, and A. C. Hoene, both of Duluth, spoke.

### New Calendar Boosts Day's Art

Because of the popularity of its 1939 calendar featuring examples of contemporary American art, Connecticut Mutual will publish a calendar with a similar theme for 1940. The paintings include Molly Luce's "Silver Night," Frederick J. Waugh's "Amber, Jade and Amethyst," J. D. Knap's "Black Ducks at Sunrise," and Dale Nichols' "Home for Christmas." Other artists whose works are represented in the new calendar are: Gordon Grant, Paul Sample, Gladys Rockmore Davis, Jonas Lie, Harold Dennis, Rockwell Kent, Emil Ganso and Adolph Dehn. The calendar is published in collaboration with the American Artists Group. Connecticut Mutual makes possible the reproduction and wide distribution of fine works of art which hold prominent places in the best museums in the country.

O. G. Osborne, chief examiner of the Nebraska department, has resigned to go with the insurance department of the Omaha Automobile Club. He has been with the department more than 10 years.



## NEWS OF LIFE ASSOCIATIONS

### Illinois Congress Program Completed

PEORIA—Plans for the annual sales congress and fall meeting of the Illinois Association of Life Underwriters, to be held in Peoria's Hotel Pere Marquette on Oct. 27-28, have been announced by Chester T. Wardwell, general agent Connecticut Mutual Life, and general chairman.

Five speakers to appear at the sales congress on Oct. 28 are: Roger B. Hull, New York City, managing director, National Association of Life Underwriters; Charles T. Davies, Wyoming, Pa., million dollar policyholder; Theodore Green, Oklahoma City, million dollar producer Massachusetts Mutual Life; William M. Duff, Equitable Society, Pittsburgh, national trustee; and Leo E. Roethig, Waterloo, Ia., district manager Metropolitan Life. Insurance Director Palmer is scheduled to speak briefly.

The sales congress will be called to order at 9:30 a. m. by Frederick A. Schnell, general agent Penn Mutual Life, and president Peoria association. Mayor McClugage of Peoria, and L. E. Brown, president Peoria association of Commerce, will greet the visitors and B. J. Stumm, Aurora, Northwestern Mutual Life, president Illinois association, will respond.

Mr. Palmer will review "What's Ahead," Mr. Green will talk on "How I Get the Business," and Mr. Davies will explain "Why I Bought Life Insurance."

At the afternoon session Mr. Duff will discuss "Building a Career"; Mr. Roethig will speak on "Progress Year by Year," and Mr. Hull on "What Are the People Saying?"

On Friday preceding the congress, K. E. Williamson, Peoria, Massachusetts Mutual Life, is to conduct a managers and general agents meeting. Mr. Hull will direct a school of instruction that afternoon for local association officers. A short business meeting and a 6:30 o'clock banquet will terminate Friday's activities.

James W. Ross, Mutual Benefit Life, 1007 Jefferson building, Peoria, secretary of the Peoria association, is in charge of reservations.

### Outstanding Speakers Are Scheduled in Buffalo

BUFFALO—Eight outstanding speakers have been secured for the 1939-40 program of the Buffalo Life Underwriters. Milton Sherman, general agent Connecticut Mutual in Buffalo, is program chairman. The list includes:

Oct. 19, C. J. Zimmerman, president National association, "The Job of Selling."

Nov. 17, George E. Lackey, general agent Massachusetts Mutual, Detroit, "The Life Insurance Dollar vs. Court House Dollars."

Dec. 15, E. M. Schwem, manager Great-West Life, Chicago, "Uninspired Inspiration."

Jan. 12, Paul Speicher, R. & R. Service, "The Miracle of Life Insurance." Feb. 16, C. Vivian Anderson, Provident Mutual, Cincinnati, "Your Life Insurance Insured."

March 21, Warren H. Smith, general agent Northwestern National, Cleveland, "Closing."

April 19, Dr. S. S. Huebner, dean American College of Life Underwriters, "Life Insurance."

May 17, Eric G. Johnson, associate general agent Penn Mutual, Pittsburgh, "Simple Case Analysis and Program."

### Laird Pays Tribute to Agents

W. C. Laird, Toronto, president Canadian Life Underwriters Association, paid a strong tribute to the work of the

life insurance agent in his talk at the dinner following the golf tournament held by the Victoria, B. C., and Island Life Underwriters Association. Mr. Laird pointed out that the more than \$8,000,000,000 of life insurance in force in Canada could not have been written without the aid of the soliciting agents. Mr. Laird, who is district manager of the London Life in Toronto, said that life insurance will not be adversely affected by the war, observing that in times of crisis people buy more life insurance.

### North Dakota Congress Oct. 13-14

FARGO, N. D.—Sales methods and problems will be discussed Oct. 13-14, here at the sales congress of the North Dakota Association of Life Underwriters.

Sessions will open at 1:30 p. m. Friday, after an informal lunch, with C. J. Crary, Fargo, state president, in charge. W. P. Chestnut, secretary chamber of commerce, will welcome agents, and Ralph A. Trubey, Fargo, state secretary-treasurer, will respond.

Talks will be given by W. F. Grantes, superintendent of agencies Northwestern National Life; Maurice Ebner of Wadena, Minn.; Mel Tousaint, Fargo, and James A. Garrity, Moorhead, states attorney.

Saturday morning speakers will be H. O. Anderson, state vice-president; C. J. Beiseker and R. J. Felker of Fargo, and A. B. Olson, vice-president Guarantee Mutual Life.

Mr. Crary will be master of ceremonies at the Friday night banquet.

### Kansas Executives to Meet

President Leo R. Porter of the Kansas Life Underwriters Association will make an official visit to the Topeka association at the Oct. 14 meeting. Mr. Porter, Wichita general agent Lincoln National, will be accompanied by O. Lynn Smith, Connecticut Mutual general agent.

President Porter has called a meeting of the state executive committee and officers at Independence the afternoon of Oct. 18, preceding the southeast Kansas sales congress, at which plans for the year will be formed and committees announced. A meeting of general agents and managers will follow that evening.

### Announce Cincinnati Speakers

CINCINNATI—The Cincinnati Life Underwriters Association has issued a prospectus of its program for the year. J. C. Sebastian, Union Central, is president, and L. B. Scheuer, State Mutual, is chairman program committee.

Charles T. Davies, million dollar policyholder, will speak on "Why I Bought Life Insurance," Oct. 26; M. A. Camps, Jr., general agent John Hancock, York, "Planning Your Work," Nov. 9;

H. A. Hedges, general agent Equitable Life of Iowa, Kansas City, "Prospecting," Dec. 12; H. H. Irwin, Massachusetts Mutual, Detroit, "How to Open," Jan. 17; B. C. Thurman, assistant superintendent of agencies Mutual Benefit, "Presentation," Feb. 16; H. K. Nickell, Connecticut General Life, Chicago, "Close," April 18; J. E. Rappaport, Cincinnati attorney, "Business," May 16; David Stock, New York attorney, "Taxes," June 13. A full day sales congress will take the place of the March meeting. Details will be announced later.

### New Boston Executive Secretary

BOSTON—Clark C. McElvein, Medford, Mass., has been appointed executive secretary of the Boston Life Underwriters Association and the Massachusetts association and takes up his duties at once. Mr. McElvein is a native of Buffalo, N. Y., and graduated from Tufts College in 1914. He has been assistant cashier of the Medford

National Bank and is president of the Mystic Valley Tufts Alumni Association.

The Boston association will hold its first fall meeting Oct. 19. Paul C. Sanborn, general agent Connecticut Mutual Life, recently elected trustee of the National association, will speak. The film "Yours truly, Ed Graham," will be shown. The Boston association has purchased a motion picture projector and a copy of the film, and will give showings before organizations in Boston and about the state.

### Adams to Speak in Pittsburgh

Claris Adams, president Ohio State Life, will speak at the luncheon in connection with the sales congress of the Pittsburgh Association of Life Underwriters Oct. 25. That evening Mr. Adams and Frank L. Barnes, agency vice-president of the Ohio State, will address the Pittsburgh agency.

LOS ANGELES—Speakers were H. G. Mosler, Massachusetts Mutual, former Los Angeles president and newly elected chairman of the Million Dollar Round Table; R. A. Brown, Pacific Mutual, life member of the Round Table, and Blair Fuller.

MONTREAL—I. S. Kibrick, New York Life, Boston, will speak Oct. 19. Holgar J. Johnson, immediate past president National Association, is expected to address the November meeting.

NASHVILLE, TENN.—The association's second radio broadcast was devoted to a discussion of the social security amendments, as they affect life insurance. Participating were Morley Ellis, Phoenix Mutual; Tom Livingston, Northwestern Mutual; Lawrence Stumb, Bankers Life; and Leonard McKeand, Jr., Northwestern Mutual.

LITTLE ROCK—Alert agents will find the social security act an advantage in creating a new field for providing supplemental retirement and family income, M. A. Derryberry, St. Joseph, Mo., agency director of the New York Life, said.

SAN ANTONIO, TEX.—O. L. Butler, Connecticut Mutual Life, discussed the revised social security act. He stressed the need for knowledge on the part of the agent to meet the competition which the new act has created for him. One hopeful element, other than the growing consciousness of the public in regard to income insurance, is the large percentage of the people who do not come under the provisions of the act.

IOWA—A sales congress will be held in Mason City Nov. 14-15, sponsored by the Mason City and the state associations. State association officers will meet in Des Moines shortly for a conference with president and secretaries of the local associations to complete plans for the congress.

NORTHERN NEW JERSEY—A debate on "Resolved, that if I do not close my prospect on the first selling interview, I tear up the prospect card," was held in Newark. Abe Berliner and George W. Conover, Penn Mutual Life, took the affirmative, and W. S. J. Chubb and F. W. Sachs, Prudential, took the negative. Members acted as judges by applause, and the negatives won. The next meeting will be held in Newark, Nov. 6, at which time R. L. Mason, assistant to the president Standard Oil Company of New Jersey, will speak on "Employer-Employee Relations."

SALT LAKE CITY—Reports on the national convention were made by Frank Mozley, Beneficial Life, local president; S. A. Kent, Prudential, and J. J. Crane, United Benefit Life. The film, "Yours truly, Ed Graham," was shown.

O. Lyle Hiner, United Benefit Life, who has been transferred to Idaho as manager, resigned as first vice-president and F. S. Herb, second vice-president, was advanced. Walter B. Furman, Prudential, was elected to succeed Mr. Herb.

INDIANAPOLIS—Keeping in mind the point of view of the individual client and thorough technical knowledge are essential to good professional service, G. Gilson Terberry, Mutual Benefit, New York, said at a luncheon meeting.

Eber M. Spence, Provident Mutual, presided, and Oren D. Pritchard, Union Central, directed the program.

MILWAUKEE—Life insurance is the best investment for the general public because it guarantees their future and creates an estate for beneficiaries immediately upon the death of the policyholder, L. J. Evans, assistant director of agencies Northwestern Mutual Life, told

## INDUSTRIAL

### Data on Industrial Conference Given

Indicative of the potential economic benefits afforded to the public by the companies of the Industrial Insurers Conference are figures just compiled by Executive Secretary Raymund Daniel, covering the six months ending June 30. They can not be compared with other periods, as the central office was not established until Oct. 1, 1938.

Reports from 45 of the 49 conference companies show that on June 30 there were in force 14,162,740 policies. Figures of unreported companies probably will carry this figure above 15,000,000.

Obtaining their livelihood through the representation of the 45 companies are 21,171 agents and 7,526 other employees. Agents and employees of all conference companies will bring the total well over 30,000.

Premium income of the 45 company members for the first six months was \$54,184,703. Companies not reporting would put the figure over \$55,000,000.

### Problem in High Turnover

NASHVILLE, TENN.—Otis P. Grant, personnel director Life & Casualty, who recently returned to that company after being away since 1935, says the one thing that impressed him more than others is the excessive turnover in agents in the industrial department.

"Only about one in ten agents was still with us after only three years," he explained, "and I consider that a problem for all industrial companies to study."

Mr. Grant admits that the fact that some industrial companies place agents in the field before their references are checked and their applications cleared by the home office results in the employment of many men who are soon dismissed because of their past records.

He feels this is a problem that might be given considerable thought by industrial company executives.

### Brazell to San Diego

J. L. Brazell, formerly with the American National at Dalhart, Tex., and later assistant superintendent at Dallas, Wichita, Amarillo and Borger, has been named superintendent at San Diego, Cal.

RILEY G. CUNNINGHAM, Wichita manager Metropolitan Life, was host at a dinner-dance to the 103 employees, wives and guests. Out of town guests included Richard Brown, home office supervisor in the field training division, and Mrs. Brown, and W. J. Sleek, manager Westport district, Kansas City, Mo.

### Prudential Reception Scheduled

The annual Prudential reception at the home office which falls on the day of the company's founding, is being held Friday in the assembly hall. Hundreds of guests will be received, including numerous leaders in the political, business, professional and religious circles of the metropolitan district. They will be received by President Franklin D'Olier in company with other executives representing both the home office and field. A buffet luncheon will be served. This is Prudential's 64th anniversary.

more than 150 life men at the initial session of the 13-week seminar of the Milwaukee Association of Life Underwriters.

Lynn S. Broaddus, Chicago manager Guardian Life, said the mere possibility of increased life insurance rates because of war has increased sales. As the result of changes in the last ten years, 99 out of 100 men have only one way to create an estate—through life insurance, he said.

## NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

### New Rate Book for Union Central

A new rate book is being issued by the Union Central, effective Oct. 17. Practically all the changes are brought about by revisions of the settlement option feature. In the new policy series, all annuities and annuity options are based on the adjusted standard annuities table. This change was made for immediate annuities about a year ago but the retirement contracts such as increasing income, retirement annuity, endowment income and complete protection have been continued on the old basis until a complete new schedule of settlement options was ready for announcement.

Under the new schedules a commuted value of \$1,747 will pay a life income of \$10 per month, 10 years certain, beginning at age 60, while \$1,565 is required for a maturity at 65. The retirement annuity contract will continue to carry a death benefit of \$1,000 for each unit of \$10 monthly income, this death benefit to be increased by the excess of cash value over the face amount at death, but the endowment income and complete protection contracts will carry a death benefit of \$1,500 or the cash value if greater for each \$10 monthly income unit.

#### Two Option Groups

The general policy settlement options are roughly divided into two groups, the 3 percent options which do not provide the privilege of commutation of unpaid installments or withdrawal of the principal sum and the 2½ percent group which do provide such commutation or withdrawal. In the first group are the limited installment option, annuity option, joint and survivorship option, multiple protection option and the educational option. In the second group are the interest income and fixed monthly income options.

A change has been made in double indemnity rates, recognizing that accidental deaths are greater at the older ages. Instead of a flat premium of \$1.25 per \$1,000 at all ages on the ordinary life, the schedule grades from \$1.12 at age 20 to \$1.96 at age 55. A slight increase has also been made in the waiver of premium rate.

Illustrations of the new rates for retirement contracts follow:

#### RATES PER \$1,000

Age	Retirement		Endow.	
	Age	Income	Age	Income
60	65	60	65	
25	\$38.12	\$30.31	\$44.03	\$37.00
30	46.59	36.01	52.82	43.17
35	58.77	43.85	65.38	51.63
40	77.40	55.12	84.54	63.72
45	108.87	72.34	116.74	82.05
50	172.14	101.30	181.00	112.52
55	158.90	158.90	172.09	

#### COMPLETE PROTECTION

Age	Maturing Age 60		
	10 Yr.	15 Yr.	20 Yr.
25	\$47.17	\$48.61	\$50.17
30	56.21	58.03	60.21
35	69.45	71.99	75.17
40	90.00	93.74	100.00
45	124.62	124.62	124.62

Age	Maturing Age 65				
	10 Yr.	15 Yr.	20 Yr.	Plan	Plan
25	\$40.44	\$41.58	\$43.14		
30	56.56	48.38	50.56		
35	55.70	58.24	61.42		
40	69.18	72.92	77.64		
45	89.93	95.51	100.00		
50	124.50	124.50	124.50		

#### Presbyterian Ministers

A family maintenance rider to provide \$10 monthly income for 10, 15 or 20 years after death is being offered by the Presbyterian Ministers Fund to

male risks only. The minimum amount of protection under this plan must be \$2,500 and the maximum \$10,000; cannot be added to the whole life special five. The rider, as well as the basic contract, will participate in the profits of the fund.

Age	10 Yr.	15 Yr.	20 Yr.
Pay.	Plan	Plan	Plan
20	\$4.46	\$6.60	\$8.98
25	6.64	8.84	9.46
30	4.96	7.49	10.41
35	5.77	9.18	13.30
40	7.44	12.20	18.41
45	10.42	17.82	27.03
50	15.60	26.66	....
55	23.60	....	....

#### Philadelphia Life Juvenile Rates

A new schedule of Philadelphia Life juvenile rates to become effective Nov. 1 shows a marked increase, with full benefit at age five for all states in which the company operates except New Jersey. The company has discontinued the endowment at 16 contract. The extra premiums to cover disability or death of the payor depend solely upon the age of the payor and the plan of insurance.

Age	20	20	End.	End.	End.	End.	End.	End.
Pay.	Year	Age	Age	Age	Age	Age	Age	Age
0	\$20.40	\$43.90	\$49.40	\$46.50	\$43.90	\$41.55		
1	20.01	43.77	52.72	49.39	46.43	43.77		
2	19.75	43.49	56.27	52.50	49.15	46.18		
3	19.42	43.22	60.34	56.08	52.22	48.87		
4	19.18	42.85	64.92	59.93	55.63	51.85		
5	18.93	42.45	70.18	64.44	59.48	55.18		
6	18.71	42.04	76.37	69.68	63.94	59.00		
7	18.75	41.92	84.16	76.20	69.51	63.79		
8	18.85	41.63	93.65	84.00	75.99	69.22		
9	18.94	41.64	....	93.17	83.57	75.60		
10	19.19	41.69	....	....	93.22	83.62		
11	19.46	41.81	....	....	....	93.28		
12	19.74	41.93	....	....	....	....		
13	20.03	42.06	....	....	....	....		
14	20.33	42.19	....	....	....	....		
(a)	1.85	3.96	3.96	3.96	3.96	3.96		
(b)	2.28	5.03	5.03	5.03	5.03	5.03		

(a) Extra premium to provide waiver of premium in event of death of payor age 35 at issue.  
 (b) Extra premium to provide waiver of premium in event of death or disability of payor age 35 at issue.

#### Berkshire Life Changes

The maximum amount of insurance accepted on one life, including reinsurance, according to the limitations adopted by the Berkshire Life in October are: ages 0-4, \$10,000; 5-19, \$40,000; 20-45, \$120,000; 46-50, \$80,000; 51-55, \$40,000; 56-60, \$25,000; 61-65, \$10,000. This covers all types of policies except 2, 3, 4 and 5 year automatic term and regular 5 year term which are as follows: ages 20-50, \$50,000; 51-55, \$40,000; 56-60, \$25,000 and term to 65; ages 20-45, \$50,000; 46-55, \$25,000.

The company has discontinued the 10 year term. A term to 65 contract is now being offered in minimum amounts of \$5,000. The policy is convertible to a limited payment life or endowment prior to age 55 or within 5 years from date of issue.

Age	Term to Age 65					1	2	5	10	15	20
	Annual	Dividends	End of Year	1	2	5	10	15	20	15	20
20	\$13.24	\$2.25	\$2.27	\$2.33	\$2.48	\$2.67	\$2.87				
25	14.23	2.29	2.31	2.38	2.54	2.75	2.96				
30	15.49	2.34	2.36	2.43	2.61	2.84	3.07				
35	17.10	2.40	2.42	2.50	2.71	2.96	3.21				
40	19.21	2.48	2.51	2.61	2.84	3.11	3.39				
45	22.92	2.59	2.63	2.73	3.00	3.32	3.62				
50	27.97	2.75	2.79	2.92	3.22	3.59	3.94				
55	33.57	2.96	3.01	3.16	3.52	3.95	4.36				

#### War Clauses

As a protective measure to the company and its policyholders, the Equitable of New York and the Mutual Life of New York have inserted a war clause in new policies issued to foreign-born applicants or to applicants who might travel or reside in a war zone. The provision excludes, for five years, death while in naval or military service, except service of the United States; death within two years, directly or indirectly, from war while not in service.

## NEW YORK

#### TOOPS IS MADE MANAGER

Franklin Toops, acting manager of the Travelers, 55 John street, New York, branch office, has been appointed manager there. He was manager in Columbus, O., until a few months ago.

#### C. L. U.'S SEE INSTITUTE MOVIE

"Yours truly, Ed Graham," the Institute of Life Insurance's new promotional movie, was shown at the New York City C. L. U. chapter meeting this week. This was the first time the picture had been exhibited before a group of New York City agents.

Manager J. S. Myrick, Mutual Life, New York City, and chairman of the board of trustees American College of Life Underwriters, presented C. L. U. diplomas to New Yorkers who were successful in the June examinations.

R. S. Maechtel Union Central Life, chapter president, announced new committees. Serving with him as a program committee will be J. E. Bragg, manager Guardian of New York and Ben Alk, Penn Mutual, both past presidents. The auditing, budget and finance committee includes J. Fred Speer, Equitable Society, chairman; C. M. Spero and C. L. Post, independent; Harry Krueger, Northwestern Mutual and W. L. Boyce, general agent Connecticut Mutual. Mr. Post was also appointed as liaison representative to the New York City Life Underwriters Association.

Educational work and the chapter's settlement option compendium formerly handled by committees, are now in the hands of two vice-presidents who are, respectively, R. U. Redpath, Jr., Northwestern Mutual, and C. M. Spero, independent.

William Julius, supervisor Shoemaker Agency Provident Mutual, heads the membership committee. Other members will be appointed later.

The chapter is cooperating with the

New York City Life Underwriters Association in the educational course given at New York University. This is designed for those who want more ample instruction than is contained in the C. L. U. review courses. One of the latter type has just opened at N. Y. U. under the chapter's sponsorship.

#### ECKER, PARKINSON AID DRIVE

Chairman F. H. Ecker of the Metropolitan Life and President T. I. Parkinson of the Equitable Society have been appointed members of an advisory committee of 25 to plan for the 1940 campaign of the Greater New York Fund. This organization each year puts on a campaign for supplementary money needed by voluntary help and welfare agencies in the city.

#### AGENT WRITES SECOND BOOK

"Salts of the Sound," by R. W. McAdam, Arlington, N. J., broker and an agent of the Van Alst (New York City) agency Berkshire Life, is being released Oct. 24 by Stephen Daye Press, which published Mr. McAdam's "The Old Fall River Line" in 1937. The new book deals with the famous steamship skippers of Long Island Sound from 1815 to the present.

#### KFBI to Move Soon

WICHITA — Radio Station KFBI, owned by the Farmers & Bankers Life since 1932, is to be moved from Abilene to Wichita as soon as plans can be completed as a result of voluntary dismissal last week of an appeal by a competing Wichita station of the decision some months ago of the federal communication commission granting permission for moving the station. Studios will be located on the fifth floor of the new home office building. A 5,000-watt station, KFBI will be on the air from 8 a. m. to 9:30 p. m.

E. S. Kanouse, cashier of the Gleaners, Detroit, for 40 years, died suddenly at the age of 72 years.

## GREATER EARNINGS

Substantial gains in insurance in force, greater than for the same period of last year and greater than the country average, enlarge the still increasing average earnings of Liberty National agents. Liberty National package plans make program selling easy.



## LIBERTY NATIONAL LIFE INSURANCE COMPANY

BIRMINGHAM

ALABAMA

FRANK P. SAMFORD, President

# PROPERTY MANAGEMENT

## DIRECTORY

• The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### ALABAMA

**ENGEL  
REALTY COMPANY**  
Realtors & Insurers  
MANAGEMENT SALES  
LEASES APPRAISALS  
BIRMINGHAM, ALABAMA

**Property Management**  
APPRAISALS  
SALES INSURANCE  
**F. L. GIBLIN CO.**  
SALES RENTALS LOANS  
8 ST. JOSEPH ST. MOBILE, ALA.

### ARIZONA

Real Estate—Property Management  
Insurance—Complete Rental Service  
**FRANK H. FINNICAL**  
239 North Central Ave.  
Statewide Service  
PHOENIX, ARIZONA

### ARKANSAS

**READ - STEVENSON & DICK**  
INC.  
Property Management  
Sales—Leasing  
Mortgage Loans  
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PORTLAND, SAN FRANCISCO, SEATTLE

# PROPERTY MANAGEMENT

## DIRECTORY

\* The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### PENNSYLVANIA

#### COMMONWEALTH REAL ESTATE CO.

Modern  
Management—Appraisals  
Sales

312 Fourth Ave. Pittsburgh, Pa.

### TEXAS (Cont.)

#### J.W. LINDSLEY & CO. REALTORS

We specialize in Property Management for Life Insurance and Trust Companies. References.

1209 Main St. DALLAS

### TEXAS (Cont.)

#### HAROLD W. KELLER

M. A. I.

Property Management—Appraisals—  
Loans—Sales

Member Institute of Property  
Management

1006-7-8 Travis Bldg.  
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### WASHINGTON (Cont.)

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Realtors

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SALES—LOANS

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Our Experience of More Than 25 Years Will  
Help Solve Your Problems

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MORTGAGE LOANS

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APPRaisALS  
and INSURANCE

DALLAS, TEXAS

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#### FIRST SECURITY TRUST CO.

(Property Management Dept.)  
Salt Lake City, Utah

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#### ELDON B. RUSSELL and ASSOC.

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109 N. Stanton St. El Paso, Texas  
(Established 1906)

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#### Norris, Beggs & Simpson

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SALES—LEASES  
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Property Management—Sales—Loans  
Appraisals—Competent Real Estate  
Service

#### WEST & WHEELER REALTORS

Property Management

Complete Real Estate Service  
For the past 40 Years

Entire 2nd Floor, Marion Bldg.  
Seattle, Wash.

### Much Sentiment for Changing the Name

(CONTINUED FROM PAGE 3)

Hamilton said that he felt that if Mr. Reynolds were alive today, he would be one of the first to advocate a change in name; a change that would indicate that one of the primary purposes of the American Life Convention is "effective cooperation for good." When Mr. Hamilton had finished speaking on this subject there were many who felt that the proposal to change the name would be offered at some future meeting and that there was a fairly strong possibility that it would be acted on favorably.

#### Some Impromptu Talks

At the final session there were, as usual, a number of impromptu and unscheduled talks. President F. V. Keesling, West Coast Life, explained the "thirty Thursday" or "ham and eggs" pension proposal that will be voted upon in California Nov. 7. He urged all the

company officials everywhere to do what they could to cause its defeat, and remarked that a similar proposal will be on the ballot in Ohio this year. In California if the proposal is favorably acted upon, it will mean a 3 percent gross transaction tax in addition to the 2.6 premium tax.

#### Grant Given Inscribed Gavel

W. C. Schuppel, executive vice-president Oregon Mutual and newly elected member of the organization's executive committee, expressed some words of appreciation to the program committee for the work it had done in developing this year's program. C. A. Craig, chairman National Life & Accident and the head of this year's program committee, acknowledged Mr. Schuppel's talk and presented W. T. Grant, president Business Men's Assurance and retiring president of the American Life Convention, with a specially inscribed gavel. In accepting it Mr. Grant remarked that the coming year is likely to be one filled with important happenings, and said that the year ahead may be the one when life insurance assumes

the offensive rather than the defensive attitude.

This year's registration exceeded 700 and established an all time high mark. Company officials were gratified at the large attendance of insurance commissioners at the meeting held in Chicago to discuss the provisions of war clauses that might be adopted by the companies and approved by the commissioners. C. C. Neslen, Utah, the recently elected president of the National Association of Insurance Commissioners, was on hand. John A. Lloyd, Ohio, presided over the meeting as chairman. The other commissioners in attendance were: Kavanaugh, Colorado; Pink, New York; Harrington, Massachusetts; Newbauer, Indiana; Hobbs, Kansas; Emery, Michigan; Bowles, Virginia; McCormack, Tennessee; Palmer, Illinois, and Fischer, Iowa.

#### D. E. Alvord General Counsel

D. Eaton Alvord of Syracuse, N. Y., is named general counsel for Farmers & Traders Life. Mr. Alvord had previously been acting as assistant counsel.

### Misrepresentation Effect Analyzed by J. M. Laird

(CONTINUED FROM PAGE 2)

The right of the company to rescind the policy or to defend the claim thereunder on the ground of misrepresentation generally does exist whether or not the assured has died prior to the commencement of contest by the company. Some confusion has, however, been caused by the adoption of the rule in certain states that while rescission may be had in a court of equity upon proof of material misrepresentation, the insurer, to defend successfully an action by the beneficiary brought in a court of law, must prove fraud.

#### Distinction Not Justified

There seems to be no justification for such a distinction, the authors state. If the insurer can successfully rescind in a court of equity, it ought to be equally successful in defending the beneficiary's suit across the hall in the court of law. In some jurisdictions, the authors

point out, statutes have been enacted which qualify the common law rules. The most common form of statute provides that in the absence of fraud, statements shall be considered representations and not warranties or provides that all statements made in the application shall be deemed representations. These statutes are intended to eliminate warranties from the contract except where the insurer can prove fraud and they do not affect the common law rules in regard to representation.

Other statutes provide that no misrepresentation or warranty shall defeat or avoid a policy unless it is made with intent to deceive or unless the matter misrepresented increases the risk of loss.

Then there are statutes providing that no misrepresentation in obtaining or securing a policy shall be deemed material or render the policy void unless the matter misrepresented shall have actually contributed to the contingency or event upon which the policy is to become due and payable, and whether it so contributed shall be a question for the jury.

Other statutes provide that no false answer shall bar recovery unless it be willfully false, fraudulently made, ma-

terial and induce the company to issue the contract. The fraud must be clearly proved and the question except in the unusual case, will go to the jury.

## Revise War Risk Rules in Canada

(CONTINUED FROM PAGE 3)

Extra premiums are payable, according to Mr. Smith, on an annual basis on the anniversary each year of the date on which the first extra is paid. The ordinary premiums under the contract will fall due without change upon their usual due dates, and the extra annually on the dates referred to in the preceding sentence. Further instructions will be issued later with regard to payment of both the ordinary premiums and the extra premiums by means of monthly deductions under assigned pay arrangements.

Until further notice, Mr. Smith states, (a) Paid-up options with or without profits selected at the end of the accumulation dividend period under life and limited payment life policies will not in-

clude the restrictions with regard to military, naval or aeronautic service or travel and residence; (b) Paid-up options on the maturity of endowment contracts will contain these restrictions.

Convertible term policies issued without restrictions have the right to convert at the original date without the war clause. If converted at the attained age the war clause will be included in the converted policy.

The above steps being taken by the Confederation Life correspond almost step-for-step with the policies being adopted by all life companies operating within Canada or from Canada and which companies are members of the Canadian Life Insurance Officers Association.

tra premiums now in effect apply to those who give notice now of proceeding overseas and commence to pay the extra premiums and in these cases the annual extra will remain level at the amount now quoted.

"The extras for those giving notice at a later date will be in accordance with the extras in force at that time, as it is expected that the extras will change from time to time as experience develops."

## NO DIFFICULTIES

LANSING, MICH.—Michigan department officials express confidence that United States representatives of Canadian life companies will be little handicapped in their activities by the state of war existing in the dominion and the resultant monetary exchange difficulties.

Michigan, as port of entry for Canadian companies, is in a position to observe the situation rather closely. The Canadian carriers, they said, have ample United States assets to cover their claim liability here so there is no loss to them through the adverse exchange. Agents of these carriers have already been supplied, in most cases, with carefully prepared brochures explaining the situation and illustrating the safeguards set up to protect United States policyholders as fully as if the complications of the war had not arisen.

## UNIVERSAL LIFE WAR CLAUSE

WINNIPEG, MAN.—Life policies of the Universal Life & Annuity contain a clause limiting the death benefit to return of premiums paid plus 3 percent compound interest if death occurs outside of Canada while serving in any branch of military service. This also applies to air service in Canada.

Endowment annuities, which constitute 99 percent of the company's business, contain no restrictions regarding residence, occupation, military, naval or air service.

New written premiums for the first nine months show a gain of over 300 percent over the preceding year, according to S. A. Tweed, president.

## FAVORABLE TOWARD RIDERS

ST. PAUL—Although the matter has not come officially before him, Commissioner Yetka of Minnesota is inclined to look with favor on war riders on life policies. His principal concern is that the companies do not use the riders in a way that would be unfair to policyholders.

## FISCHER VIEWS SITUATION

DES MOINES—Commissioner Fischer has announced he views favorably war clauses which would limit benefits received by policyholders who get mixed up in a foreign war. He does not intend to approve for Iowa any clauses which would limit insurance benefits to citizens of this country in case it enters a war.

Mr. Fischer did not attend the conference in Chicago last week but was represented by C. C. Kirkpatrick in charge of Iowa's life department. The commissioner issued his statement after conferring with Mr. Kirkpatrick on his return.

## WINDSOR COVERS ALL ENLISTING

WINDSOR, ONT.—The city council of Windsor has decided to take out a life insurance policy on the life of every Windsor resident who voluntarily enlists, \$1,000 for a married man and \$500 on a single man. Mayor Croll states that the council in Windsor during the World War years spent more than \$75,000 for war insurance. Mayor Croll was granted leave of absence to join the Essex Scottish Regiment.

M. E. Ednefield, 67, assistant secretary Palmetto State Life since it was organized in 1924, died at his home after an illness of several months. He was with the Carolina Life for 20 years before joining the Palmetto State.

# Title Insurance Companies

• The title insurance firms whose cards are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## CALIFORNIA

### Title Insurance—Escrows—Trusts

### Title Guarantee & Trust Co.

Incorporated October 28, 1888

Title Guarantee Building  
Hill at Fifth Street  
Los Angeles, California

## COLORADO

### THE TITLE GUARANTY COMPANY

Established 1911  
M. Elliott Houston, Pres. — J. Tate Dunson, Secy.

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Telephone Keystone 1251  
DENVER, COLORADO

## OREGON

### Over \$700,000 Capital & Surplus

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Correspondents New York Life

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Portland, Ore.

## MISSOURI

### KANSAS CITY TITLE AND TRUST COMPANY

KANSAS CITY, MISSOURI

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Complete Title Service  
for the Greater Kansas City area  
NATIONAL TITLE DEPARTMENT

## UTAH

### INTERMOUNTAIN TITLE GUARANTY COMPANY

### TITLE INSURANCE

Operates in Utah, Idaho and California. Policies accepted by Supt. of Insurance of the State of New York.

Home Office:  
809 First National Bank Building  
Salt Lake City, Utah

## WASHINGTON

### WASHINGTON TITLE INSURANCE CO.

Capital \$1,350,000.00

803 Second Avenue  
SEATTLE, WASHINGTON  
Statewide Title Service

## OKLAHOMA

### AMERICAN FIRST TRUST CO.

First National Bldg.  
Oklahoma City, Okla.

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STATE-WIDE TITLE INSURANCE  
Under Supervision of State Bank  
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San Diego's oldest and largest title insurance company

### Union Title Insurance and Trust Company

SECOND AVENUE  
AT BROADWAY  
IN UNION  
There is  
SAN DIEGO  
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CALIFORNIA

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Complete Title Service  
San Francisco, Cal.

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**COATES & HERFURTH**  
**CONSULTING ACTUARIES**  
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 SAN FRANCISCO      LOS ANGELES

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**WILLIAM W. CHAMBREAU**  
*Consulting Actuary and Tax Consultant*  
*Organization, Management, Tax Service*  
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*Consulting Actuary*  
 Franklin 2833  
 211 W. Wacker Drive, Chicago

**DONALD F. CAMPBELL**  
**and**  
**DONALD F. CAMPBELL, JR.**  
*Consulting Actuaries*  
 100 N. La Salle St.      Chicago, Illinois  
 Telephone State 1336

**HARRY S. TRESSEL**  
*Certified Public Accountant and Actuary*  
 10 S. La Salle St., Chicago  
 Associates      Franklin 4620  
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 N. A. Horowitz, P. C. D.  
 L. J. Ladd

### INDIANA

**Haight, Davis & Haight, Inc.**  
*Consulting Actuaries*  
 FRANK J. HAIGHT, President  
 Indianapolis, Omaha

**HARRY C. MARVIN**  
*Consulting Actuary*  
 221 E. Ohio St.  
 INDIANAPOLIS, INDIANA

### NEW YORK

Established in 1885 by David Parks Fackler  
**FACKLER & COMPANY**  
*Consulting Actuaries*  
 Edward B. Fackler      Robert D. Holman  
 8 West 40th Street      New York City

### PENNSYLVANIA

**FRANK M. SPEAKMAN**  
**CONSULTING ACTUARY**  
*Associates*  
 Fred E. Swartz, C. P. A.  
 E. P. Higgins  
 THE BOURSE      PHILADELPHIA

## War Uncertainty Forcing Borrowers to Private Issues

(CONTINUED FROM PAGE 4)

when speculation on the approaching investigation was at its height, it was stated in THE NATIONAL UNDERWRITER, following inquiries at SEC headquarters in Washington, that the commission appeared to have nothing against private financing and to feel that if a borrower could get a better deal through private than through public financing there was no reason for the SEC to object. This feeling at the SEC now appears to be more dominant than ever, although there is still a minority who feel that all sales, public or private, should be made subject to regulation.

The question of public vs. private financing was strikingly exemplified recently in the eleventh-hour change which the New York Telephone Company made in selling its \$75,000,000 3 1/2 percent debentures. The original plan was to offer them to the public but because of unsettled conditions due to the war the telephone company felt itself forced to make a quick sale to a group of nine life companies rather than to lose time with registration and the 20-day cooling period, since there might be a marked change in the market by the time the securities were actually ready for sale.

#### Financiers Reconciled

That the financial world is pretty well reconciled to the place of private sales may be inferred from editorial comment of the "Wall Street Journal" on this deal: "The debentures are particularly suitable investment for the insurance companies which have purchased them and it will do no hurt to remember that the beneficiaries represented by these companies constitute a real 'public' in every sense of the word. It is of course, regrettable that the conditions prevailing entail incidental hardship upon those who in normal times perform a legitimate and a valuable service in the mobilization of capital, i.e., the investment bankers, but apparently this must be accepted as a casualty of the situation. The present transaction proves nothing whatever against the permanent worth of that service and a return to its use awaits the return of normal conditions."

While the 20-day waiting period is

responsible for the recent pronounced swing toward private placements, it is not the waiting period nor the SEC registration requirements that has been responsible for the overshadowing of public financing by private deals. Even the bankers who are hardest hit by the situation concede that the basic trouble is the low level of interest rates which keep potential private investors from getting into the market. One big reason why private deals dominate the scene is that the life companies and a few large other institutional investors are the only customers for the type of securities and the rate of interest being offered.

#### Approved by Companies

From a life company standpoint private sales have no drawbacks whatever, although many investment executives would not like to see the investment banker eliminated through a complete shift to private financing. In ordinary times life companies buy a considerable volume of securities through the bankers and value their advice on investment matters. The savings to the insurance companies have run into many millions of dollars, for the expense saved by eliminating the bankers as middlemen is shared by both the borrower and the lender.

Aside from the question of what they earn on financing done through them, the bankers find several objections to widespread private financing. First, there is the question as to whether some types of private sales do not constitute underwriting. Underwriting is prohibited by the Armstrong laws in New York state and would make SEC registration necessary even though the insurance company did not intend to market the securities to the public.

#### Held Not Underwriting

This situation has not yet come up but a recent sale was made only after an opinion was obtained from the SEC that it did not constitute underwriting. This was an issue of New York Power & Light bonds. It was desired to offer these securities to the present security holders before disposing of the remainder to the insurance companies. While neither the offer of securities to existing holders nor the sale to an insurance company would be regarded as requiring registration under the federal law, there was a possible question about coupling the two transactions. This was taken care of by issuing an entirely different bond to the companies from what was offered the security owners.

The bankers' second objection is that since the bond issue will presumably

be held to maturity by the insurance companies buying the issues, there will never be a chance for the corporation to buy bonds in at a discount, as might be the case if the obligations were held by the public.

Third, the bankers raise the question whether as a matter of public policy it is a good thing for an insurance company to have an entire issue of a corporation's bonds. There are some cases where the possibility of a corporation getting into trouble is so remote as to be practically negligible but in other types, there is a substantial chance that the lender might find itself owning the business and faced with the problems of industrial management in addition to operating an insurance company.

The fourth objection raised by the bankers is that the banker renders a genuine and valuable service as a professional negotiator in arranging deals between borrowers and lenders and that because of their long experience the bankers can work out agreements and terms which can be relied upon to take care of the various contingencies that might arise, even far into the future.

### Zimmerman and Bremier on Research Bureau Program

Charles J. Zimmerman, Connecticut Mutual, Chicago, the recently elected president of the National Association of Life Underwriters, will be a feature speaker before the Agency Officers and Sales Research Bureau annual meeting in Chicago, Oct. 31-Nov. 2. His subject will be "Concentration on Making Successes."

#### Discussion of Consumer Study

Another feature on the program will be a discussion of the consumer study made by the bureau of labor statistics. This will be the first time that this data on life insurance distribution will be made public.

Fred Bremier, division of commercial research, Curtis Publishing Company, will present the results of the study. He will discuss and analyze the data revealed by the study on the spread of life insurance as measured by the proportion of income expended on it, both geographically and by various income levels.

Roy L. Davis, assistant state director of insurance in Illinois, will extend the greetings of the department at the big banquet of the Western & Southern Life to be held in Chicago Saturday evening.

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ASSURANCE SOCIETY  
(MUTUAL)

## LEGAL RESERVE FRATERNALS

### N. F. C. to Meet in Chicago Feb. 21-22

The midwinter meeting of the National Fraternal Congress will be held in Chicago, Feb. 21-22, it was announced this week by Foster F. Farrell, executive secretary-manager. Convention headquarters will be the Morrison Hotel.

This is the gathering of the various N. F. C. sections, presidents, secretaries, press, medical, state congresses, and the Fraternal Actuarial Association, Fraternal Field Managers Association, and the annual meeting of the Fraternal Society Law Association. There will be no general sessions, other than a joint gathering of the sections with the presidents section one morning.

The executive committee will gather at Chicago to consider business matters. This committee is to meet at Edgewater Park, Miss., Nov. 6, preceding the convening of the meeting there of the National Association of Insurance Commissioners.

The field managers gathering at Chicago will be held Feb. 20, the day prior to the start of the other section meetings.

There will be the usual Washington's birthday luncheon Feb. 22 under the auspices of the Fraternal Society Law Association.

#### Juvenile Record in September

Modern Woodmen hung up its greatest record in history in September for new junior business with 2,519 new junior members written in the month. The volume of new issues in the period was \$2,416,500. September eclipsed the previous largest month for new junior business by more than 800 issues. This was the result of a special campaign in which quotas were assigned to the extension forces. Southern Illinois, in charge of Tom Haege, Peoria, state manager, led all the states, producing \$240,500 junior business. Modern Woodmen began admitting juniors to membership in 1933, and membership in the junior department now totals 30,916 with \$26,595,000 insurance in force.

### The A. O. U. W. of North Dakota

THE PIONEER OF FRATERNAL  
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A True Fraternal and a Mutual  
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#### THE WOMAN'S BENEFIT ASSOCIATION

Founded 1898

A Legal Reserve Fraternal Benefit Society  
Bina West Miller, President  
Frances D. Partridge, Secretary  
Port Huron, Michigan

### Societies, Missouri Officials Confer

JEFFERSON CITY, MO.—A number of points regarding the application of changes in fraternal society certificates imposed by the new fraternal code in Missouri were ironed out at a hearing held by the insurance department. There were some 25 representatives of more than 30 societies attending, who conferred with C. M. Hansen, chief actuary; C. L. Henson, counsel; Virgil Rule, assistant actuary, and F. P. Sizer, Jr., chief deputy.

The societies recently have been sending their certificates to the Missouri department for approval under the new law. Confusion arose as to various provisions. There were questions having to do with the uncontested provision, as to whether it was necessary to put the provision in the certificates; whether the type approved by Missouri must be substituted for one already in the certificate, and if so whether this change could be handled by rubber stamp amendments. Another question was whether the five year limitation of action must be printed to conform with the new law. It was decided that only in the case of conflict with the law need it be amended by rider.

#### Discuss Impairment Clause

Then there were a number of questions relating to the impairment provision. In the new Missouri law, as in Illinois and a number of other states, fraternal societies may specify in their certificates that the rates and benefits are not subject to change. In Illinois, it is said, the insurance department has held that insertion of the impairment provision in the certificate was optional and not mandatory, but the Missouri department at the hearing decided that this provision must be inserted if the society elects to make its rates and benefits not subject to change.

Under the open form of contracts fraternal societies always have had the privilege of assessing members when necessary to maintain sound financial condition. Some societies, however, have seen benefit in making the rates and benefits irrevocable.

Other questions were those over the form of the grace period and reinstatement of age provisions.

The meeting was very harmonious, a welcome change, a number of fraternalists noted, from the difficulties they had in dealing with former Superintendent O'Malley.

#### Meeting of the N.F.C. Law Committee Is Called

The law committee of the National Fraternal Congress will hold a three-day meeting in Chicago, Oct. 16-18 with James Mann Miller of that city, counsel Woman's Benefit, and committee chairman, presiding. The full committee is expected to attend, including Rainey T. Wells, Woodmen of the World, chairman of the statutory legislation committee which was consolidated recently at the Detroit annual convention with the law committee.

The Chicago meeting will be the first gathering of the combined committees. Mr. Miller previously was chairman of a committee on legal cooperation. There is considerable agenda to be taken up, but mainly the purpose is to perfect the machinery for securing reports on legislation, digesting bills and taking such action as is indicated as necessary.

#### Speakers Bureau Is Organized

MILWAUKEE—The Milwaukee Fraternal Congress has organized a speakers bureau to promote better relations between fraternal groups by exchange of speakers, and to provide other societies with fraternal speakers in an

attempt to show the public the advantages of fraternal organizations. The congress represents 40,000 fraternal members. The central committee in charge of the bureau is headed by Otto Werkmeister, Modern Woodmen, congress president.

### Hartford College Starts First Academic Year

HARTFORD, CONN.—The Hartford College of Insurance is in its first academic year with 30 students admitted out of an application list of 75. Of the 30, 83 percent were graduates of approved colleges or universities and the others were non-college graduates employed by insurance companies who were highly recommended by their executives.

The college, a graduate school, was established in May by Hartford College of Law and a group of insurance company executives. This year only freshman classes will be conducted, and thereafter the work will be added as the present freshman class advances.

#### Personnel of Faculty

Dr. E. G. Baird is director. He is also dean of the law college. The faculty includes Prof. G. W. Lillard, librarian and secretary of both the law and insurance colleges; Prof. T. F. Tarbell, actuary Travelers, who has collaborated in writing insurance textbooks; Prof. R. J. Walker, actuary Aetna Life and instructor of that company's group life school, an authority on hospitalization insurance; Prof. L. R. Ringer, director educational extension division Aetna Casualty & Surety, who conducts the

home study course in casualty and surety lines for agents and prepares material for and organizes classes in field offices; Prof. C. D. Long, economics department Wesleyan University.

The first year work covers fundamentals in three courses: (1) Life, health and accident and group insurance; (2) casualty and fire insurance; (3) insurance and law. The first two are evening courses and in course 3, law is a day subject and insurance is taught of evenings. The curriculum is accredited, leading to LL.B. and M.S. degrees after four years' work have been completed.

### Devitt Home Office General Agent of Capitol Life

Franklin H. Devitt, who has been one of the prominent managers in New York for Equitable Society, is joining Capitol Life of Denver as home office general agent. Mr. Devitt desired to take up residence in a mountainous region because of illness in his family. He has been with Equitable 26 years and has been manager since 1932.

The Devitt agency of Equitable is being consolidated with that of H. H. Wilson.

#### Gillis Agency Organizes

NEWARK—For the purpose of furthering social and welfare activities the A. F. Gillis general agency of the Provident Mutual Life, has formed Gillis Associates, with the following officers: President, H. A. Feustel; vice-president, E. M. Ball; secretary, G. E. Griscom, 2nd; treasurer, Mrs. M. R. Randolph.

## THE PRAETORIANS

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DALLAS, TEXAS

ORGANIZED—1898—OVER FORTY YEARS OF  
INSURANCE SERVICE

Issues FRATERNAL LEGAL RESERVE  
LIFE INSURANCE on standard forms, ages  
0 to 60. Amounts \$200 to \$20,000.

Operates strictly on the LEGAL RESERVE  
PLAN. Realizing that it is the LEGAL  
RESERVE that puts the safety under policies  
regardless of whether the system is Stock,  
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Pays Seventeen Different Ways

## Gleaner Life Insurance Society

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Founded 1894

Legal Reserve Life Insurance for men, women and children from birth to age 65. Operating in Michigan, Ohio, Indiana & Illinois.

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R. M. Norrington, Field Supt.

## PROTECTED HOME CIRCLE

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### A Legal Reserve Fraternal Insurance Society

S. H. HADLEY Supreme President      L. D. LININGER, Supreme Secretary  
SHARON, PA.

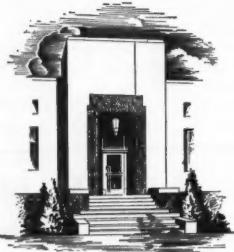
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**THE DOMINION LIFE**  
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*"There's an old man coming to your house," as sure as YOU live! Protect him with a Life Insurance Income.*

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F. W. SIMPSON, Manager

ESTABLISHED 1889 — HEAD OFFICE — WATERLOO — ONTARIO

LANSING  
800-801 Olds Tower Bldg.  
ROY G. HOWLIN, ManagerIssue Arising Over  
Receivership Plan

(CONTINUED FROM PAGE 8)

have authority to liquidate the securities or reinsurance the business.

The contention of the commissioner is that under the reinsurance contract and under the Iowa law the Iowa policyholders are entitled to the benefit of the full amount of the value of securities on deposit in the Iowa department and these should not go for the protection of general policyholders. This company was formerly the Northern Assurance of Michigan. On July 6, 1921, the company reinsured the American Life of Des Moines and shortly thereafter the name of the company was changed. Reinsurance Is Contemplated

Commissioner Fischer of Iowa said that he expects to reinsurance the company in such a manner as to fully protect Iowa policyholders. He said he believed that with the Iowa deposits allocated entirely to Iowa policyholders there would be no impairment. Iowa, he explained, is the only state in which the company was licensed that has a deposit law guaranteeing reserves.

place among the entire agency force. Leader in September was Louis Pascaud, while the previous month Max Moch led the field in paid production. For the month just closed, L. P. Levy, Philadelphia, was runner-up to Mr. Pascaud, followed by W. K. Phillips, Jacksonville; R. D. Deacon, Seattle; R. L. Stevens, Jacksonville, and J. G. Sharp, Louisville. Leader for the year-to-date is announced as Fred G. Bentrup, St. Louis, with R. D. Deacon, Seattle, in second place.

E. F. White, Dallas general agent Connecticut Mutual Life, gave an agency dinner recently honoring Vice-president P. M. Fraser, who visited the Dallas agency.

**Statement of the Ownership, Management, Circulation, Etc., Required by the Acts of Congress of August 24, 1912, and March 3, 1933**

Of The National Underwriter, Life Insurance Edition, published weekly at Chicago, Ill., for October 1, 1939:  
State of Illinois  
County of Cook { ss:

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared Howard J. Burridge, who, having been duly sworn according to law, deposes and says that he is the Vice-President and Secretary of The National Underwriter Co., publishers of The National Underwriter, Life Insurance Edition, that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537 Postal Laws and Regulations, printed on the reverse of this form, towit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.

Editor, C. M. Cartwright, Evanston, Ill.

Managing Editor, C. M. Cartwright, Evanston, Ill.

Business Manager, H. J. Burridge, Hinsdale, Ill.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati.

Southern Ohio Savings Bank & Trust Company, Cincinnati, Ohio, trustee for Stella Goss Wohlgemuth, Elizabeth G. Wohlgemuth and John F. Wohlgemuth.

C. M. Cartwright, Evanston, Ill.

H. J. Burridge, Hinsdale, Ill.

G. W. Wadsworth, Chicago, Ill.

R. E. Richman, Boston, Mass.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.)

None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholders or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner, and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is ..... (This information is required from daily publications only.)

The National Underwriter Co., pub-  
lisher, by Howard J. Burridge,  
Vice-President and Secretary.

Sworn to and subscribed before me  
this 4th day of October, 1939.

(Seal) John B. Berensholt,  
Notary Public.  
(My commission expires January 7,  
1941.)

## Boston Actuaries Meet Oct. 20

BOSTON—The Actuaries Club of Boston, Charles S. Warren, chairman, will hold its first fall meeting Oct. 20. Discussion will cover war clauses, the new gain and loss exhibit; changes in the New York code with special reference to policy forms; changes in the social security act and permanent disability. Stuart F. Conrod will report on the Actuarial Society meeting and motion pictures of the July outing will be shown.

## Sun Life Leaders Named

For the second successive month, an agent of the Canton, O., branch of the Sun Life of Canada has captured first

# Sales Ideas and Suggestions

## Builds Successful Business on Knowledge, Service

One of the greatest tributes a life insurance salesman can receive is a fervent "well done" from a completely sold, completely satisfied client. Such honor was accorded I. S. Stein of the Equitable Society, Lustgarten agency, Chicago, who despite the fact that he has been in the insurance business just a little more than six years, now averages close to a million dollars in paid for business.

In this relatively short time, he has made an enviable record only because he has adhered to the two basic principles he adopted when he first entered the business, excellent service and a thorough knowledge of life insurance coverages.

He is an inspiring example of what the typical life insurance salesman should be, sincere, interested primarily in his client's welfare and secondly in the commissions he receives.

"Strangely enough," says Mr. Stein, "when you forget about the money angle and seek only to do the best job possible, the financial reward is often greater."

### Has Excellent Record

Mr. Stein knows what he is talking about, for he has the record of rendering service to an executive of a large corporation in such a capable manner that it resulted in his writing 16 other members for a total of more than \$1,000,000 to date and also resulted in many lush cases written on persons recommended by these individuals.

A successful advertising man, Mr. Stein entered the life insurance business temporarily to know first hand the attitudes of both the seller and buyer. He was of the opinion that there were better ways to present life insurance advertising and that to work as a salesman was the best way to find out.

With this in mind, he joined the Sam Lustgarten, Equitable Society agency, Chicago, with, of course, the full knowledge and encouragement of Mr. Lustgarten. At that time Mr. Lustgarten shrewdly observed that once Mr. Stein became active in life insurance he doubted that withdrawal would follow. Mr. Lustgarten was right.

### Devoted First Year to Study

Mr. Stein devoted the greater part of his first year in the business to an intensive study of service methods and life insurance coverages. He sold only \$45,222. It was in that first year, however, that he really got his start towards his outstanding sales record.

In the summer of 1933 he was introduced to the assistant general manager of a large corporation. Basing his approach first on building up himself to secure the full confidence of the prospect and second on leaning over backwards to avoid any situation which would be unfavorable to the prospect, Mr. Stein sold the assistant general manager \$6,222 of ordinary life and 6.28 units of annual premium retirement annuity. He serviced the account completely, even to conferring with the man's lawyer about his estate and will.

In the fall of 1934, a plant manager of the same corporation was killed in an accident. Mr. Stein was requested to go a good many miles out of town to advise the widow on the disposal of her life insurance and general estate. This, of course, was at the corporation's expense.

When he arrived at the home of the widow, he found that various agents had sold her husband and they all ad-

vised her to take the proceeds in cash and to buy annuities. He quelled this. He had the proceeds left on deposit and worked out income provisions. He also sold her, as she had additional funds, \$12,000 single premium ordinary life and an annuity of \$7,251. The ordinary life was two policies of \$6,000 each, with a son and daughter as beneficiaries. The policies were arranged so that no change of beneficiary could be effected.

After Mr. Stein had finished working out the widow's insurance situation, the executive vice-president of the corporation decided to allow him to look over his policies. Mr. Stein discovered that he was paying a number of premiums on a quarterly basis, carrying nothing but life insurance well in excess of \$100,000—available to the beneficiary in a lump sum—and that the general estate was to be held in trust for income purposes upon the prospect's death.

### Revised Estate, Insurance

He changed this. The premium payments were put on an annual basis. The life insurance was set up on an income basis except for a small amount available in cash. The will was revised to have the general estate available outright at time of death.

Later the major portion of the life insurance and about one-half the general estate was given to his wife, with additional gifts to the children.

During the course of a business interview just recently—the two had become friends shortly after Mr. Stein first sold him—the executive asked Mr. Stein if he had any objection to his presenting to his wife a "little novelty"

which he had found recently. Naturally, Mr. Stein said "no."

A week passed, and Mr. Stein had another business conference in which the executive decided to buy a \$100,000 single premium refund annuity and two \$12,500 single premium contracts for his children.

Two days later the executive phoned and told Mr. Stein that he was sending over the "little novelty" for Mrs. Stein. It was a fine wrist watch in a diamond platinum case.

The executive refused thanks, stating that he made the gift only as a token of his appreciation of Mr. Stein's service and his kindness and patience in not trying to crowd him with forced sales before he was ready to buy.

### Writes Many Small Cases

It is interesting to note that Mr. Stein, while writing a great deal of business—since 1936 he has averaged no less than \$820,000 per year in the Equitable Society alone—still writes plenty of small cases. His average policy this year to date is \$15,323. His largest sale was \$125,000. Since 1936 his average policy has never been less than \$11,500.

"Before I could sell life insurance successfully," he said, "I had to answer the question: 'Why should people want to buy life insurance from me?' The only answer I could find was service and trying to know more than any other agent after the same business. This has meant, of course, intensive and continuous study of the business."

Thus, it can be seen that the man who applies himself in an intelligent manner will succeed. Incidentally, Mr. Stein is not a young "spriggen," but a man in the prime of his life. While his approach is somewhat mature—the great bulk of his production is in two to five year term, ordinary life and retirement annuities with some high premium life forms for older men—his successful efforts are worth emulation by all types of life insurance men, whether young or in their prime.

## Cases Show Social Security Can Revive Dead Proposals

NEW YORK—The DeLong agency of the Mutual Benefit Life in New York, one of the first to capitalize aggressively on the sales possibilities of the social security act amendments, has found that in actual practice the new setup is as good as it looks in theory. While there have been many cases in which this approach undoubtedly helped put the sale across, there are quite a few where the amendments have revived cases that were otherwise completely dead and can be given sole credit for the sale.

Social security's most valuable aid comes when the prospect is a man who is sold on the objectives proposed by the agent but who becomes so discouraged at the outlay needed to accomplish them by insurance alone that he will not buy anything. Usually a trace of alibi may be detected in the prospect's reasoning, but the situation is a tough one to meet. Many cases have been dropped at that point as china eggs while the agent dug up a fresh prospect.

### Examples of Cases Saved

One prospect on whom a Mutual Benefit agent had been working for several years had five children. The net result was "no sale." With social security, however, the agent was able to make such an appealing presentation that the case was closed for \$12,500.

Another agent was working on a

prospect who needed \$21,000 to complete his program. Having an income of about \$3,000, the man groaned and shelved the whole proposition. The agent later went back and wove social security into the picture. Result: pre-paid sale for \$9,000.

A sole proprietor of a business needed between \$15,000 and \$25,000 of insurance. The agent asked if his business were incorporated. It was not, but this was immediately done, placing the proprietor under social security. The agent closed the case for \$11,000.

In another case a presentation to a prospect 36 years old, married, two children, for \$13,000 ran up against the "no money" objection and died. With social security, the case was reopened and closed for \$6,300.

### Other Angles, Too

It sometimes pays to inquire more than superficially, even when there is no apparent social security angle. One agent was trying to sell a man 64 years old who was not making a very large income. He had married a second time and his wife was some years younger than he. It turned out that his wife had a child by a previous marriage and that he had legally adopted the child. This brought in social security and made possible a \$5,000 sale. This did not completely take care of the prospect's requirements, as the premium at

his age was high, but it helped considerably.

Social security can be used effectively in the type of case where a man has pretty good reason to feel that with its additional protection he has enough protection for his family. This leaves the way open for the agent to urge putting some surplus income into a retirement policy.

## Texas Man Is Indicted on Swindling Racket Charge

DALLAS—Guy Edwards, Dallas, formerly arrested here on an indictment charging swindling in connection with an insurance racket at Huntsville, was given two years in the penitentiary on a charge of defrauding a wealthy Gladewater woman by a jury at Longview. Edwards had also been indicted in Gregg county on charges of swindling in connection with an insurance racket which has been sweeping a large section of Texas for months.

The racket consists of ascertaining when life insurance premiums of well known and financially responsible persons are about due, and then calling on those persons as representatives of the company in which they have policies, collecting the premiums and giving them a receipt.

The insurance department is urging the public to be very careful to whom it pays insurance premiums. It is urging that in case of premiums involving hundreds of dollars and paid annually, it is safer to send the premiums to the company, unless the insured personally knows the man collecting them.

Another gyp scheme said to be operated by the same gang to which Edwards belonged, is selling "high class insurance policies" at low premiums in companies which do not exist, collecting the premium and leaving the victim to wait for his insurance policy. It is said by insurance department investigators that the swindlers have taken \$30,000 from the public in the past years. Four of the gang have been arrested.

## Ohio Rulings on Rebates and Discriminations Issued

COLUMBUS, O.—In an opinion of the Ohio attorney-general where insurance is issued to employees of a common employer in the form of one-year renewable term policies and is restricted to employees of employers having fewer than 50 employees, and where the premiums paid therefor are lower than those charged for similar contracts of insurance to other individuals, there is no violation of the group life insurance law. It is held also that there is no violation of the law regarding discrimination and rebates.

It is also held by the attorney-general that where a church establishes a special "debt retirement fund," under the control and management of the trustees, to which the members of the church subscribe in writing to pay a stipulated amount, and where as part of the plan the subscriber applies for insurance on his life payable to the trustees of the retirement fund who are to pay the premiums on the life insurance policy, and where the trustees agree to pay to a person designated by the subscriber the amount of the insurance policy less any indebtedness to the fund on account of the subscription, there is no violation of the law covering rebates or special favors.

H. F. Barker, agent of the Phoenix Mutual Life in Providence, R. I., has been appointed a member of the Rhode Island state reformatory board of parole.

## AGENCY MANAGEMENT

### Faser Tells of Successful Results with College Men

CINCINNATI—H. M. Faser, Jr., general agent Penn Mutual, Boston, told the Associated Life General Agents & Managers his experiences in the recruiting and financing of young men just out of college. Mr. Faser, who is 31, has been general agent at Boston for about a year and a half. Prior to that he developed a successful organization of young men under 30 for the company in New York, which he operated for three and one-half years.

Mr. Faser made a survey of 127 agencies, 85 of one company operating on a nation-wide basis and 42 in Boston, discovering that 80 percent of the general agents and managers had started their life insurance careers under 30. Mr. Faser took the hypothesis that general agents or managers were successful life insurance men. He said that he thought a general agency should be operated with the objective of making its men into general agents or successful men, although there would always be a number who would remain in personal production. Fifty-five percent of the men entering the business under 30 were 23 and under he found.

#### What Has Agency to Offer?

If young men are to be induced to come into a life insurance agency, Mr. Faser said that the general agent should ask himself what his agency had to offer the new man, forgetting any past records the agency may have established, its leading producers, and the fact that

the general agent may be held in high regard.

The young man probably wants to find out: Shall I be happy with this organization? Does this agency have a youthful outlook? What kind of a training course will I receive? Is there opportunity here to win recognition and advancement? Will the agency be willing to take a chance with me financially? Will I have an opportunity to discover whether or not I can make a go of life insurance?

The average man, when deciding to enter a business, likes to feel that the business offers him opportunities unavailable anywhere else, Mr. Faser said. In his own organization, Mr. Faser played up the idea that there was not a man in the organization over 30, the prospective life insurance man being made to feel invariably that the agency offered him something he could not get in any other agency.

Most men entering the business decide to do so because of what the particular agency has to offer rather than because of the position of life insurance as an institution, Mr. Faser stated.

#### Young Supervisors

The man who is to have charge of the young men in the agency should be the same age or slightly older than the men being recruited. Most young men, he said, prefer to follow rather than to be told, and are inspired by the success of other young men. The young men in the agency should be separated from the veterans, Mr. Faser said. In his own agency, because he could not make arrangements for office space, he gave up his private office for the use of the young men and has his desk in a corner of the agency room.

Mr. Faser has had success with only two types of young men, those who have just graduated from school who have been contacted while still in school or immediately upon graduation, and those he termed "misplaced" who were able to find good jobs in the business world upon graduation but who for one reason or another were unable to find the type of work they liked.

Emphasis is not placed on the contacts a man has when he enters the business with the Faser agency. Mr. Faser said that he considered ability to prospect of fundamental importance and he preferred to take a man totally strange in a city providing he had contacted the right type people previously and therefore would contact similar people in his prospecting, than to take a man who knew hundreds of people and lived in a community all of his life, but with all of his acquaintances in the lower income groups. He said that he had little success with men unless they came from one of three sources, centers of influence, members in own organization, or personal contacts.

Young centers of influence are far more helpful than older men even though they hold much higher positions, he declared. The head of an organization is looking for good men himself.

#### Many Need Financing

In his New York unit, Mr. Faser said that 25 of the 35 men he started in business were financed. Of that number, 15 are still in the insurance business and one is a general agent and five are supervisors. He starts men as low as \$50 with a maximum of \$80, with but two exceptions. The advantage of starting young men, Mr. Faser said, is that they do not have large living expenses.

Mr. Faser gives a highly concentrated training course lasting two weeks, which then continues over a four year period

with the ultimate goal of a C. L. U. designation. In the initial training period life insurance fundamentals as well as ground work in salesmanship are covered. Mr. Faser has contracted no one in the past year who did not complete the two weeks school. The school gives both the new man and the general agent an opportunity to look each other over. He holds an evening school for prospective agents who have jobs from 5:30 to 8 o'clock with about 10 classes. At the end of the preliminary training period, a man "must be anxious to enter life insurance." Mr. Faser does not attempt to sell him on coming in.

A daily meeting about 15 minutes in length is held for the new men. Joint work is an important factor and the new man receives full credit and commission. The supervisor uses identically the sales talks taught in the training period in joint work.

#### Life Insurance Offers More

Life insurance offers more than any other business in America to the young man who can succeed, Mr. Faser asserted.

President R. C. O'Connor, Reliance Life, presided. Mr. Faser was introduced by J. D. Grannis, Cincinnati general agent Penn Mutual. L. B. Scheuer, State Mutual, announced that "Yours Truly, Ed Graham," would be shown before a number of civic associations including the chamber of commerce forum Nov. 7.

Program arrangements include the following speakers: A. E. Patterson, vice-president Penn Mutual, Philadelphia, "Motivating Old Agents to be Financially Successful," Nov. 3; Millard Orr, general agent Massachusetts Mutual, Philadelphia, "Profitable Recruiting of Men Beyond 30," Dec. 6; "Profitable Training of New Men," January, unassigned; John A. Ramsay, general agent Connecticut Mutual, Newark, "Profitable Supervision," Feb. 20; L. S. Morrison, Sales Research Bureau, Hartford, "Conservation of Agency Profits," March 6.

### Discipline a Factor in Agency Growth

BUFFALO—A round table discussion on the effect of discipline on the healthy and permanent growth of an agency was held here, with five general agents of the National Life of Vermont, all executives of their local associations, and about 25 members of the Buffalo Life Managers Association participating.

T. H. Cummings, president Life Insurance Executives Club of Cleveland, led the discussion, which was followed by a question and answer period. Describing the induction system which has been successfully employed at the Cleveland agency of the National Life for three years, Mr. Cummings said the roots of discipline are sown originally in the induction program to which the agent exposes himself. Emphasis is laid on those phases of the business which are directly responsible for the financial success of the agent—principally salesmanship. Gradually, he said, the purpose of the induction school asserts itself.

He also stressed that the manner in which the general agent keeps his books contributes in a large degree to the success of the new agent. He said the general agent should show a partnership attitude toward the new man to win his respect and confidence. A third factor important in the general agent's attitude toward recruits is the helping of his agents to make the most of opportunities, aiding them to build their prestige in the community. This program, he said, leads to the "development of a subtle disciplinary base and the exclusive agency."

A. L. Beck, general agent National Life in Buffalo and president of Buffalo Life Underwriters, presided. C. B. Metzger, president Buffalo Life Managers Association, headed the group of managers which participated in the round

table. Other out-of-town executives attending were R. M. Stephenson, director of the Pittsburgh Association; C. H. Orr, past president Philadelphia Association, and R. C. Meadows, president Binghamton association.

The following day the National Life executives conducted their own sales conference here.

#### Social Security Opportunities Seen

PORTLAND, ORE.—An important field for increased business is offered by supplementing the coverage provided by the social security act, G. W. Schoeffel, Oregon Mutual Life, told the Life Insurance Managers Association of Oregon.

Opportunities exist for providing clean-up funds at death, supplemental old age benefits, and survival annuities for widows, effective between the time their children reach the age of 18 and eligibility for old age pension benefits.

Such coverage, Mr. Schoeffel said, can be provided at a cost within the reach of persons who would otherwise be unable to finance similar protection.

Provisions of the Oregon social security law were explained by C. C. Chapman, member of the legislature and editor of "Oregon Voter."

#### Hobbs, Caperton to Speak

The General Agents & Managers Division of the Chicago Association of Life Underwriters will meet Oct. 16, 12:15 p. m., in the East Room of the La Salle Hotel.

P. B. Hobbs, agency manager Equitable Society, who for the past two years has been chairman of the general agents and managers section of the National association will discuss the highlights of the recent St. Louis convention.

J. C. Caperton, general agent State Mutual, will outline plans for Annual Message week in Chicago.

#### Youngman to Speak in Newark

A. V. Youngman, associate general agent Mutual Benefit Life, New York, and former president New York City Association, will speak at the dinner meeting of the Life Agency Supervisors' Association of Northern New Jersey in Newark Oct. 17 on "1939 Social Security Amendments—an Opportunity for Life Insurance Men."

#### Wichita Opens Season

The Wichita Managers & General Agents Association held its annual golf tournament and smoker to open the fall program. President Lee Leavell, John Hancock general agent, led the field. Several short talks followed a Dutch lunch in the evening. Called meetings are proposed each month when outstanding speakers may be available.

#### View Production by Older Agent

PITTSBURGH—"How to Get the Old Agent Into Production," was discussed at the luncheon of the Supervisors Club of Pittsburgh. Speakers were Wright McClure, Northwestern Mutual, and L. C. Richards, Jr., Sun Life.

#### "Ad" Man Des Moines Speaker

The Des Moines Managers & General Agents Association heard Robert Howard of the Millhaem advertising agency in Des Moines speak on "Purpose Selling."

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# LIFE VIEWS IN THE NEWS



Luncheon group during annual meeting of American Life Convention in Chicago—left to right around table—M. B. Cederstrom, vice-president American Service Bureau; Raymond M. Johnson, assistant secretary Beneficial Life; Harold Coup-

land, home office supervisor American Service Bureau; Virgil H. Smith, secretary Beneficial Life; Milo W. Wilder, Jr., treasurer, and Hobart S. Weaver, associate counsel Mutual Benefit Life; R. B. Richardson, president Western Life.



Around the table at the Financial Section Luncheon during the meeting of the American Life Convention in Chicago. Included in the group are Alex Cunningham, vice-president Western Life; John F. Williams, vice-president Federal Life; O. J. Lacy, president California-Western States Life; John J. Cadigan, president New World Life.



To three of its members who have given conspicuous service, the Agency Association of the Pacific Mutual Life presented service plaques during its convention in St. Louis. The picture shows, left to right: D. C. MacEwen, vice-president; Joseph M. Gantz, general agent, Cincinnati; Colonel H. Kenneth Cassidy, general agent, San Francisco (rear), retiring president of the Agency Association; T. H. Wall, general agent, Louisville; Carroll C. Day, general agent, Oklahoma City; and A. N. Kemp, president.

Pictured at the Commonwealth Life's convention at Virginia Beach, are: Upper left, Joseph R. Hoffman, secretary, and Mrs. Hoffman; (lower), conventioners taking in the sun and salt water; top center, C. D. Haskins, general agent at Union City, Tenn., in conversation with I. Smith Homans, executive vice-president.

Center, Gayle Prather, superintendent of agencies in a twilight game of Chinese checkers with Henry Abraham, special agent, Louisville; bottom center, Mrs. Gayle Prather on way to beach; right top, Cavalier Court looking toward the beach; right bottom, W. S. Schneiter, secretary of agencies, and Mrs. Schneiter.